SADDLE BROOK

SCHOOL DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2025

Saddle Brook, New Jersey

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Saddle Brook Board of Education

Saddle Brook, New Jersey

For The Fiscal Year Ended June 30, 2025

Prepared by

Business Office

SADDLE BROOK BOARD OF EDUCATION
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INTRODUCTORY SECTION

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RAYMOND G. KARATY, CPA, PSA
BUSINESS ADMINISTRATOR/BOARD SECRETARY

January 22, 2026

Honorable President and
Members of the Board of Education
Saddle Brook School District
Saddle Brook, New Jersey 07663

Dear Board Members:

The annual comprehensive financial report of the Saddle Brook School District (District) for the fiscal year ended June 30, 2025 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections; introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and required supplementary information, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provision of the Single Audit Act of 1996, as amended, Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations;* and New Jersey OMB's Circular Letter 15-08, *State Aid/Grant Compliance Supplement,* and are not a required part of the basic financial statements. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES: The Saddle Brook School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA. All funds of the District are included in this report. The Saddle Brook Board of Education and all of its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and vocational, as well as special education for handicapped youngsters. The District maintains an in-district pre-K special education program as well.

REPORTING ENTITY AND ITS SERVICES (continued):

AVERAGE DAILY ENROLLMENT

Fiscal Year	Student Enrollment	Percent Change
2024-2025	1,841	.16%
2023-2024	1,837	1.49%
2022-2023	1,810	5.2%
2021-2022	1,720	.76%
2020-2021	1,707	-4.42%

ECONOMIC CONDITION AND OUTLOOK: Saddle Brook Township remains a highly developed, economically stable community. The Township stands at about 95% fully developed and the initiation of any major new construction is unlikely. Nevertheless, its location in Bergen County as well as its proximity to major arteries (Route 80 passes through in a north to south direction and The Garden State Parkway passes through in an east to west direction) affords the community easy access to New York City, major airports and harbors. This location also supports economic viability for business as evidenced by an industrial park, a number of corporate centers and three major hotel chains operating within our borders.

Saddle Brook is also an attractive residential community for those who both work locally and commute to more distant sites. Made up largely of single family homes, the residents of Saddle Brook tend to have multi-generational ties to this area with the majority of residents being long time Saddle Brook residents. The community retains a fairly large senior population with only a relatively small turnover in housing annually.

The economic fortunes of the town are tied very closely to those of the entire region, which would indicate a satisfactory economic outlook for the immediate future.

The structure of school funding in New Jersey means that a community such as Saddle Brook is forced to provide over 90% of their school funding through its local property tax base. As a result, the local taxpayer must bear the burden of upgrading programs and facilities that have traditionally scrutinized school budgets very intensely. Nevertheless, the community takes pride in its school and traditionally demonstrates a desire to provide a good education within the economic framework that is available to it.

MAJOR INITIATIVES:
The overarching theme for our school district is "Soaring Together, United We Learn," with a focus on systemic improvements across student support, academic rigor, safety, and infrastructure.

Key district initiatives center on a tiered, data-driven approach to boost student attendance and academic achievement, utilizing School Data Teams and I&RS action plans. Significant enhancements to safety and security have been implemented, including the completion of secure vestibules in all buildings and upgrades to surveillance technology.

The Board of Education is focused on professional development through NJSBA workshops, finalizing a successor agreement with the custodial and maintenance unit, and ensuring community transparency on referendum and strategic plan progress.

The Strategic Plan details a multi-faceted approach to district improvement across five core areas: Community Involvement & Communication, Facilities, Social Emotional Learning (SEL), Enhancing Student Achievement, and Personalized Learning. Substantial progress is reported on major referendum-funded facilities projects, including renovations at multiple schools, with many projects completed and others in progress or scheduled for Summer 2025. Academic initiatives are highlighted by curriculum revisions that have been cited as a model by the County Office of Education, extensive professional development for teachers, and a marked increase in students earning the Seal of Biliteracy.

District Goals:

The district has established three primary goals focused on student welfare, academic performance, and physical security.

Goal 1: Boost Attendance and School Engagement

The district is implementing a tiered intervention system to address chronic absenteeism. The strategy involves a proactive and collaborative approach.

Key Actions and Interventions:

- **Data Review:** Reviewing absenteeism data from the previous school year for each building.
- **Support Teams:** Creating staff attendance support teams in each school to implement interventions.
- **Parent Communication:** Consistently communicating with parents and guardians about the importance of attendance to foster positive home-school relationships.
- **Residency Verification:** Ensuring all enrolled students reside within the Township of Saddle Brook.
- **Early Intervention:** Providing early support to students and families exhibiting truancy behaviors.
- **Action Plans:** Creating and monitoring I&RS (Intervention and Referral Services) action plans for students and families in need.
- **External Resources:** Utilizing state and county resources, including NJ4S and the Department of Truancy.

Goal 2: Elevate Academic Achievement

The district's strategy for academic improvement is centered on data analysis and targeted support to address the needs of all student subgroups.

Key Actions and Interventions:

- **Data Analysis:** School Data Teams meet at the start of the year to analyze data and identify specific weaknesses in ELA, Math, and Science for each subgroup.
- **Tiered Support:** Implementing the New Jersey Tiered System of Supports (NJTSS) across the district for struggling students.
- **Targeted Profiles:** Creating individual student learning profiles for Multilingual Learner (ML) students.
- **Parental Engagement:** Working to increase parental involvement in supporting student literacy development.
- **Progress Monitoring:** Continuously monitoring student progress throughout the year to adjust instruction as needed.
- **NJSLA Review:** All staff will meet to review NJSLA (New Jersey Student Learning Assessment) data, including evidence statements.

Goal 3: Optimize Safety and Security

The district is continuing to enhance safety protocols through collaborative engagement and significant infrastructure upgrades.

Key Actions and Upgrades:

- **Secure Vestibules:** All school buildings now have completed secure entry vestibules (funded by the Referendum).
- **Technology Upgrades:**
  - All district security cameras have been upgraded with AI utilization.
  - Awarded a COPS Grant to fund Door Access Controls, Door Intercom Systems, and Guest Management Systems.
- **Infrastructure Improvements (Referendum Funded):**
  - Upgraded inside lighting in all buildings.
  - Ongoing window replacements.
- **Threat Assessment:** A District Threat Assessment Team has been established, utilizing a Threat Assessment Screening Tool.

Board of Education Goals:

The Board of Education has set three goals focused on governance, labor relations, and community communication. These goals were successfully achieved.

- **Goal 1: Professional Development:** To engage in three New Jersey School Boards Association (NJSBA) workshops covering timely and relevant topics such as HIB, student achievement, artificial intelligence, transgender policy, cell phones, social media, and culture and climate.
- **Goal 2: Labor Relations:** To complete a successor agreement with the district's custodial and maintenance bargaining unit.
- **Goal 3: Community Updates:** To schedule and implement a program of community updates during board meetings to review progress on referendum projects and strategic plan initiatives.

Strategic Plan Initiatives:

The strategic plan is organized around five primary goals, with numerous initiatives underway to support each.

Goal 1: Community Involvement & Communication

- **Digital Platforms:** Utilization of a District App, an updated website, and social media.
- **Parent & Family Engagement:** Collaboration with Parent Groups, hosting ESL family events, and distributing weekly communications.
- **Staff Communication:** Direct staff communication with parents and a monthly MSHS School Counseling & Wellness Newsletter.

Goal 2: Facilities

- **Major Projects:** Progress on Referendum projects, district-level projects, and safety/security plans.
- **Technology & Sustainability:** Focus on technology integration and Green Technology.
- **Specific Renovations:** Projects include the student bathroom on the 2nd floor of the MS/HS and AC installation in the gym, among others.

Goal 3: Social Emotional Learning (SEL) / Culture & Climate

- **SEL Programs:** Continuation of BRIGHT celebrations (PK-6) and counselor-led student groups (K-12).
- **District-Wide Initiatives:** Implementation of District SEL Days and teacher-led classroom activities.

- **Mental Health Support:**
  - Counseling for students provided by school counselors (K-12).
  - Coordination with outside agencies and NJ4S.
  - Training for 10th-grade students in Teen Mental Health First Aid, scheduled for March.

- **Feedback:** Deployment of HS Staff and Student Climate Surveys.

Goal 4: Enhancing Student Achievement

- **Curriculum Revisions:** Teachers are invested in the revision process, and the curriculum was cited by the County Office of Education as a model for other districts during a QSAC visit.
- **Professional Development:**
  - **Math:** Conquer Math training for teachers in grades K-12.
  - **Literacy:** Reading League training (K-2) on the Science of Reading; Amplify support (K-3) for CKLA program implementation.
  - **Technology:** Kiker Learning training (K-12) for technology integration.
  - **General:** In-district professional development focused on trends, best practices, and data analysis.
- **Test Preparation:**
  - Professional development on embedding test prep into daily instruction.
  - Purchase of teaching materials (3-8) to support understanding of standardized test formats.
  - Media specialists support computer literacy and typing skills.
  - NJGPA/NJSLA test prep is built into the school schedule.
- **Basic Skills Instruction:** Building-based programs in ELA and math (K-12) to address classroom deficiencies, using assessments to track progress.
- **Seal of Biliteracy:** The number of students earning the Seal of Biliteracy in languages including Spanish, Polish, Arabic, Punjabi, Russian, Hebrew, Latin, and French has steadily increased.
  - **2022-2023:** 13 students
  - **2023-2024:** 14 students
  - **2024-2025:** 31 students
- **Common Assessments:** Grade-level teams have created common unit assessments in Math and English, using question formats similar to NJSLA and NJGPA to ensure equitable access to the curriculum.

Goal 5: Personalized Learning

- **Professional Development:** Several teachers attended Morphology training with the Institute for Multisensory Education (IMSE) to learn strategies for supporting struggling readers.
- **Course Offerings:**
  - Addition of new elective courses at the high school level annually.
  - Creation of elective course videos to help students make appropriate selections
- **Instructional Accountability:** Data teams work with teachers to share and analyze results from assessments like DIBELS, LinkIt, and NJSLA/NJGPA.
- **Grade 7 Seminar:** A dedicated course to support middle school students in adjusting to academic demands, focusing on study skills, organization, technology, and SEL.
- **Option II Program:** Participation has increased in all Option II programs (Alternative Physical Education, College Experience, Work-Based Learning). Partnerships with local businesses have been established, and career-focused courses have been added as an option.

BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General, Special Revenue and Debt Service Funds. Project length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2025.

ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.

FINANCIAL INFORMATION AT FISCAL YEAR -END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

OTHER INFORMATION: Independent Audit – State statutes require on annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Bliss, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1984, as amended (U.S. Uniform Guidance), and state Treasury Circular Letters 15-08 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Saddle Brook School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

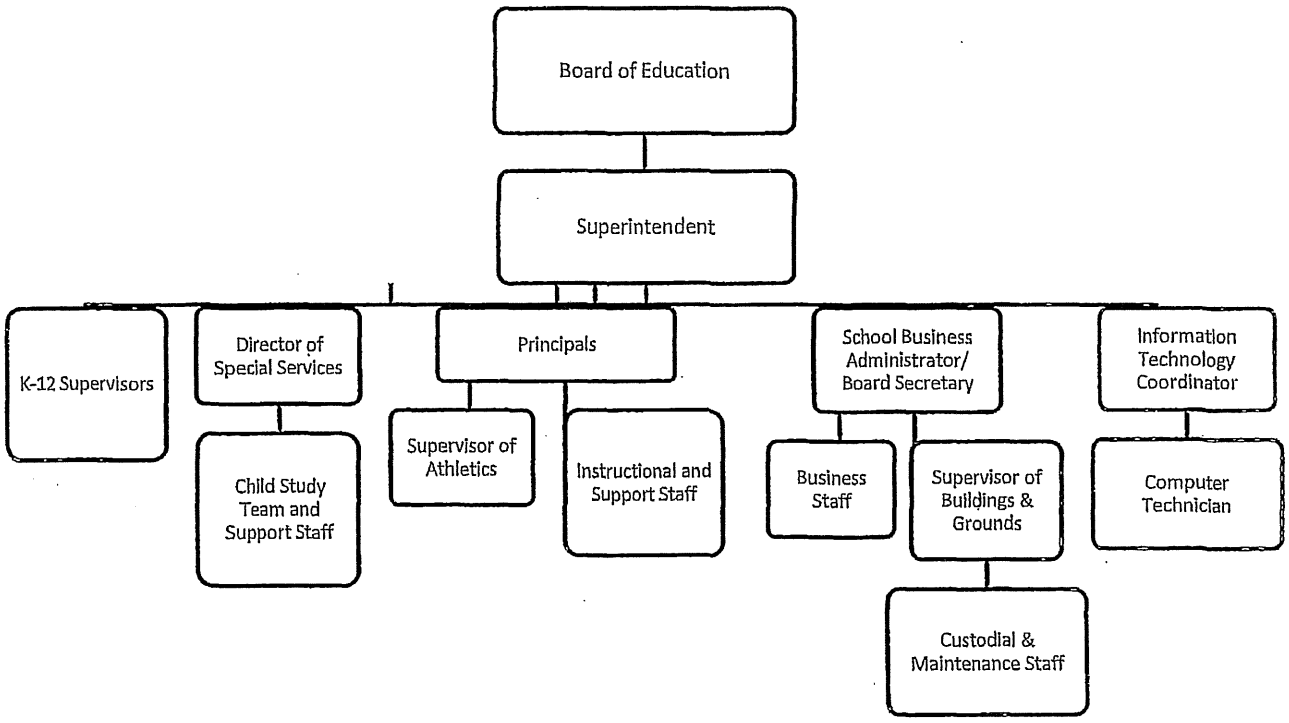
Toni Violetti
Superintendent of Schools

Raymond G. Karaty, CPA, PSA
Business Administrator/Board Secretary

POLICY

SADDLE BROOK BOARD OF EDUCATION

1110 ORGANIZATIONAL CHART



SADDLE BROOK BOARD OF EDUCATION
SADDLE BROOK, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2025

Members of the Board of Education	Term Expires
Victoria Torbic, President	2027
Hayley Traverso, Vice President	2027
Mariana Ianneillo	2025
Michael Accomando	2025
Regina Barrale	2027
Michael Errichiello	2026
Vincent Laurentino	2025
Michele Roloff	2026
Sylvia Zottarelli	2026

Other Officials

Toni Violetti, Superintendent

Raymond G. Karaty, CPA, PSA, Board Secretary/School Business Administrator

Peter Bellani, CPA, Treasurer

Mark Wenczel, Esq., Board Attorney – Cleary Giacobbe Alfieri & Jacobs, LLC

SADDLE BROOK BOARD OF EDUCATION

Consultants and Advisors

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Provident Bank
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CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Saddle Brook Board of Education
Saddle Brook, New Jersey

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Saddle Brook Board of Education, as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Saddle Brook Board of Education as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Saddle Brook Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Saddle Brook Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Saddle Brook Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Saddle Brook Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits information be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Saddle Brook Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Saddle Brook Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 22, 2026 on our consideration of the Saddle Brook Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Saddle Brook Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Saddle Brook Board of Education's internal control over financial reporting and compliance.

LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants

Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
January 22, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Saddle Brook Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2024-2025) and the prior year (2023-2024) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-2025 fiscal year include the following:

- The assets and deferred outflows of resources of the Saddle Brook Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $18,302,924 (net position).

- Overall District revenues were $50,467,089. General revenues accounted for $40,525,718 or 80% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for $9,941,371 or 20% of total revenues.

- The School District had $47,939,273 in expenses for governmental activities; only $9,091,279 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of $40,523,870 were adequate to provide for these programs.

- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of $9,961,475 a decrease of $8,248,390 when compared to the ending fund balance at June 30, 2024 of $18,209,865.

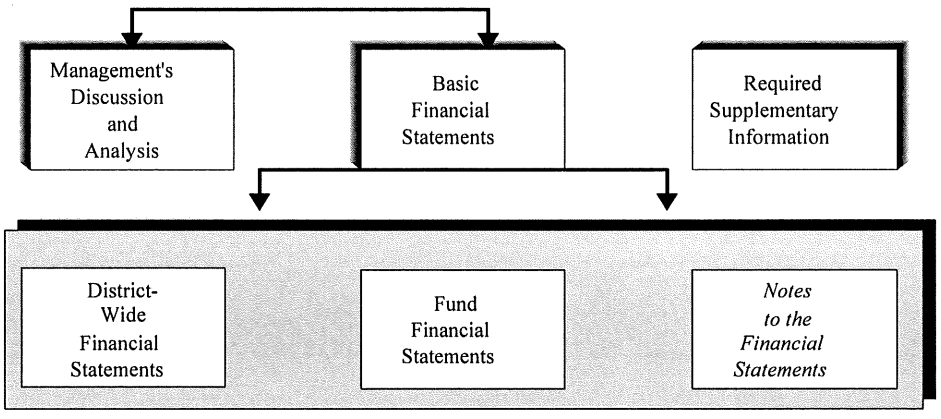
- The General Fund unassigned budgetary fund balance at June 30, 2025 was $1,277,093 which represents an increase of $27,560 when compared to the ending unassigned fund balance at June 30, 2024 of $1,249,533.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
    - The Governmental Funds statements tell how basic services were financed in the short term as well as what remains for future spending.
    - Proprietary Funds statements offer short-term and long-term financial information about the activities the district operated like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain are summarized below. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

District-Wide Financial Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District's financial health or position

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts finance most of these activities.

- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and bond covenants.

- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

Fund Financial Statements (Continued)

The District has two kinds of funds:

• *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

• *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's Enterprise Fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

Combining and individual financial schedules are presented immediately following the required supplementary information if required.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $18,302,924 and $16,719,225 as of June 30, 2025 and 2024 (restated), respectively, as shown below.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position
as of June 30, 2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024 (Restated)	2025	2024	2025	2024 (Restated)
Assets						
Current and Other Assets	$ 11,824,252	$ 19,599,326	$ 160,318	$ 301,854	$ 11,984,570	$ 19,901,180
Capital Assets	35,978,738	27,794,298	197,163	184,357	36,175,901	27,978,655
Total Assets	47,802,990	47,393,624	357,481	486,211	48,160,471	47,879,835
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	323,995	417,836			323,995	417,836
Deferred Amounts on Refunding of Debt	7,456	9,320	-	-	7,456	9,320
Total Deferred Outflows	331,451	427,156	-	-	331,451	427,156
Total Assets and Deferred Outflows	48,134,441	47,820,780	357,481	486,211	48,491,922	48,306,991
Liabilities						
Long-Term Liabilities	27,501,551	29,072,235			27,501,551	29,072,235
Other Liabilities	2,042,342	1,569,710	17,987	62,578	2,060,329	1,632,288
Total Liabilities	29,543,893	30,641,945	17,987	62,578	29,561,880	30,704,523
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	627,118	883,243	-	-	627,118	883,243
Total Deferred Inflows	627,118	883,243	-	-	627,118	883,243
Total Liabilities and Deferred Inflows	30,171,011	31,525,188	17,987	62,578	30,188,998	31,587,766
Net Position						
Net Investment in Capital Assets	20,096,570	19,019,883	197,163	184,357	20,293,733	19,204,240
Restricted	6,087,020	5,372,424			6,087,020	5,372,424
Unrestricted	(8,220,160)	(8,096,715)	142,331	239,276	(8,077,829)	(7,857,439)
Total Net Position	$ 17,963,430	$ 16,295,592	$ 339,494	$ 423,633	$ 18,302,924	$ 16,719,225

The changes in net position for fiscal years ended 2025 and 2024 are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for Services	$ 870,449	$ 677,311	$ 494,226	$ 544,373	$ 1,364,675	$ 1,221,684
Operating Grants and Contributions	7,829,161	8,913,234	355,866	368,265	8,185,027	9,281,499
Capital Grants and Contributions	391,669	145,356			391,669	145,356
General Revenues						
Property Taxes	38,807,404	37,317,746			38,807,404	37,317,746
State Aid	804,034	144,837			804,034	144,837
Miscellaneous	912,432	967,798	1,848	2,327	914,280	970,125
Total Revenues	49,615,149	48,166,282	851,940	914,965	50,467,089	49,081,247
Expenses						
Instruction						
Regular	14,022,572	14,395,962			14,022,572	14,395,962
Special Education	10,701,731	9,763,070			10,701,731	9,763,070
Other Instruction	1,457,130	1,521,681			1,457,130	1,521,681
School Sponsored Activities and Athletics	1,152,393	1,079,286			1,152,393	1,079,286
Support Services						
Student and Instruction Related Services	7,497,046	7,761,520			7,497,046	7,761,520
Educational Media/School Library	496,781	480,187			496,781	480,187
General Administration Services	850,513	993,237			850,513	993,237
School Administration Services	2,622,730	2,510,188			2,622,730	2,510,188
Plant Operation and Maintenance	5,561,384	4,806,119			5,561,384	4,806,119
Pupil Transportation	1,875,463	1,894,837			1,875,463	1,894,837
Central Services	924,977	916,890			924,977	916,890
Interest and Other Chgs on Long-Term Debt	776,553	790,818			776,553	790,818
Food Service	-	-	944,117	931,802	944,117	931,802
Total Expenses	47,939,273	46,913,795	944,117	931,802	48,883,390	47,845,597
Transfers	(8,038)	-	8,038	-	-	-
Change in Net Position	1,667,838	1,252,487	(84,139)	(16,837)	1,583,699	1,235,650
Net Position, Beginning of Year (Restated)	16,295,592	15,043,105	423,633	440,470	16,719,225	15,483,575
Net Position, End of Year	$ 17,963,430	$ 16,295,592	$ 339,494	$ 423,633	$ 18,302,924	$ 16,719,225

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly. However, maintaining existing programs with decreased enrollment, the provision of a multitude of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2025 and 2024.

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Instruction				
Regular	$ 14,022,572	$ 14,395,962	$ 11,520,308	$ 11,619,967
Special Education	10,701,731	9,763,070	6,879,396	6,003,490
Other Instruction	1,457,130	1,521,681	1,228,526	1,175,432
School Sponsored Activities and Athletics	1,152,393	1,079,286	695,567	719,951
Support Services				
Student and Instruction Related Services	7,497,046	7,761,520	6,662,121	6,269,405
Educational Media/School Library	496,781	480,187	430,232	403,032
General Administration	850,513	993,237	772,285	894,484
School Administration Services	2,622,730	2,510,188	2,451,753	2,265,736
Plant Operation and Maintenance	5,561,384	4,806,119	5,167,948	4,685,241
Pupil Transportation	1,875,463	1,894,837	1,546,162	1,616,668
Central Services	924,977	916,890	717,143	733,670
Interest and Other Charges on Long-Term Debt	776,553	790,818	776,553	790,818
Total	**$ 47,939,273**	**$ 46,913,795**	**$ 38,847,994**	**$ 37,177,894**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of $9,961,475, a decrease of $8,248,390 from last year's fund balance of $18,209,865.

Revenues for the District's governmental funds were $54,883,813; total expenditures were $63,869,703.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

Revenues of the General Fund were $50,606,668 for the fiscal year ended June 30, 2025. State sources amounts to $12,307,833, federal sources amounts to $16,907 and local sources amounts to $38,281,928.

Expenditures of the General Fund were $51,322,945. Instructional expenditures were $29,062,208, support services expenditures were $20,530,092, lease debt service payments were $954,715 and capital expenditures totaled $775,930 for the fiscal year ended June 30, 2025.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services.

Revenues of the Special Revenue Fund were $1,595,546 for the fiscal year ended June 30, 2025. Federal sources amounts to $1,089,938 and local sources were $505,608.

Expenditures of the Special Revenue Fund were $1,552,931. Instructional expenditures were $1,065,115, support services expenditures were $294,555 and capital expenditures were $193,261 for the fiscal year ended June 30, 2025.

Capital Projects - The capital projects expenditures and other financing uses exceeded revenues and other financing sources by $8,961,302 decreasing the fund balance from $14,646,768 at June 30, 2024 to $5,685,466 at June 30, 2025.

Proprietary Funds

The District maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services program. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following categories

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2024 encumbrances.
- Appropriation of Capital Reserve

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2025 and 2024 amounts to $36,175,901 and $27,978,655 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2024-2025 amounted to $1,901,479 for governmental activities and $32,420 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2025 and 2024.

	Governmental Activities		Business- Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 31,974	$ 31,974			$ 31,974	$ 31,974
Construction in Progress	11,571,318	2,507,435			11,571,318	2,507,435
Site Improvements	284,081	310,490			284,081	310,490
Buildings	22,450,266	23,762,674			22,450,266	23,762,674
Machinery and Equipment	1,641,099	1,181,725	$ 197,163	$ 184,357	1,838,262	1,366,082
Total	$ 35,978,738	$ 27,794,298	$ 197,163	$ 184,357	$ 36,175,901	$ 27,978,655

Additional information on the District's capital assets are presented in the Notes to the Financial Statements.

LONG TERM LIABILITIES

At June 30, 2025, the District's long-term liabilities consisted of compensated absences payable of $1,800,270, serial bonds of $16,368,756 (including unamortized discounts), capital financing agreements of $3,936,058, other financing agreements of $819,381 and net pension liability of $4,577,086 totaling $27,501,551. This is in comparison to the restated long-term liabilities at June 30, 2024 of $29,072,235 or a decrease of $1,570,684.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2025-2026 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Saddle Brook Board of Education, 355 Mayhill Street, Saddle Brook, NJ 07663.

BASIC FINANCIAL STATEMENTS

SADDLE BROOK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 11,054,054	$ 84,701	$ 11,138,755
Receivables, net	778,236	43,779	822,015
Internal Balances	(8,038)	8,038	-
Inventory		23,800	23,800
Capital Assets			
Not Being Depreciated	11,603,292		11,603,292
Being Depreciated, Net	24,375,446	197,163	24,572,609
Total Assets	47,802,990	357,481	48,160,471
Deferred Outflows of Resources			
Deferred Amounts on Net Pension Liability	323,995	-	323,995
Deferred Amounts on Refunding of Debt	7,456	-	7,456
Total Deferred Outflows of Resources	331,451	-	331,451
Total Assets and Deferred Outflows of Resources	48,134,441	357,481	48,491,922
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,834,545	506	1,835,051
Payable to Other Governments	3,104		3,104
Accrued Interest Payable	179,565		179,565
Unearned Revenue	25,128	17,481	42,609
Noncurrent Liabilities			
Due Within One Year	1,910,563		1,910,563
Due Beyond One Year	25,590,988	-	25,590,988
Total Liabilities	29,543,893	17,987	29,561,880
Deferred Inflows of Resources			
Deferred Amounts on Net Pension Liability	627,118	-	627,118
Total Deferred Inflows of Resources	627,118	-	627,118
Total Liabilities and Deferred Inflows of Resources	30,171,011	17,987	30,188,998
NET POSITION			
Net Investment in Capital Assets	20,096,570	197,163	20,293,733
Restricted for :			
Capital Projects	3,680,041		3,680,041
Maintenance	1,239,012		1,239,012
Other Purposes	1,167,967		1,167,967
Unrestricted	(8,220,160)	142,331	(8,077,829)
Total Net Position	$ 17,963,430	$ 339,494	$ 18,302,924

The accompanying Notes to the Financial Statements are an integral part of this statement.

SADDLE BROOK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities							
Instruction							
Regular	$ 14,022,572	$ 413,623	$ 1,696,972	$ 391,669	$ (11,520,308)		$ (11,520,308)
Special Education	10,701,731		3,822,335		(6,879,396)		(6,879,396)
Other Instruction	1,457,130		228,604		(1,228,526)		(1,228,526)
School Sponsored Activities and Athletics	1,152,393	456,826			(695,567)		(695,567)
Support Services							
Student and Instruction Related Services	7,497,046		834,925		(6,662,121)		(6,662,121)
Educational Media/School Library	496,781		66,549		(430,232)		(430,232)
General Administrative Services	850,513		78,228		(772,285)		(772,285)
School Administrative Services	2,622,730		170,977		(2,451,753)		(2,451,753)
Plant Operations and Maintenance	5,561,384		393,436		(5,167,948)		(5,167,948)
Pupil Transportation	1,875,463		329,301		(1,546,162)		(1,546,162)
Central Services	924,977		207,834		(717,143)		(717,143)
Interest and Other Charges on Long-Term Debt	776,553	-	-	-	(776,553)	-	(776,553)
Total Governmental Activities	47,939,273	870,449	7,829,161	391,669	(38,847,994)	-	(38,847,994)
Business-Type Activities							
Food Service	944,117	494,226	355,866	-	-	$ (94,025)	(94,025)
Total Business-Type Activities	944,117	494,226	355,866	-	-	(94,025)	(94,025)
Total Primary Government	$ 48,883,390	$ 1,364,675	$ 8,185,027	$ 391,669	(38,847,994)	(94,025)	(38,942,019)
General Revenues							
Property Taxes, Levied for General Purposes, Net					37,563,142		37,563,142
Property Taxes Levied for Debt Service					1,244,262		1,244,262
State Aid Restricted for Debt Service					631,660		631,660
Unrestricted State Aid					172,374		172,374
Miscellaneous Income					912,432	1,848	914,280
Transfers					(8,038)	8,038	-
Total General Revenues					40,515,832	9,886	40,525,718
Change in Net Position					1,667,838	(84,139)	1,583,699
Net Position, Beginning of Year (Restated)					16,295,592	423,633	16,719,225
Net Position, End of Year					$ 17,963,430	$ 339,494	$ 18,302,924

The accompanying Notes to the Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

SADDLE BROOK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 3,679,329	$ 283,362	$ 6,501,384	$ 589,979	$ 11,054,054
Receivables, Net					
Receivables from Other Governments	114,083	367,465	198,408		679,956
Due from Other Funds	310,808				310,808
Other Receivables	98,230	50	-	-	98,280
Total Assets	$ 4,202,450	$ 650,877	$ 6,699,792	$ 589,979	$ 12,143,098
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 546,348	$ 30,575	$ 1,014,326		$ 1,591,249
Due to Other Funds	8,038	310,808			318,846
Payable to Other Governments		3,104			3,104
Payroll Deductions and Withholdings	243,296				243,296
Unearned Revenue	2,100	23,028	-	-	25,128
Total Liabilities	799,782	367,515	1,014,326	-	2,181,623
Fund Balances					
Restricted:					
Capital Reserve	917,765				917,765
Capital Reserve, Designated for Subsequent Year's Expenditures	592,000				592,000
Maintenance Reserve	912,012				912,012
Maintenance Reserve, Designated for Subsequent Year's Expenditures	327,000				327,000
Capital Projects			5,685,466		5,685,466
Debt Service				$ 589,979	589,979
Unemployment Compensation	294,626				294,626
Student Activities/Athletics		280,496			280,496
Scholarship		2,866			2,866
Assigned:					
Year End Encumbrances	108,166				108,166
Unassigned:	251,099	-	-	-	251,099
Total Fund Balances	3,402,668	283,362	5,685,466	589,979	9,961,475
Total Liabilities and Fund Balances	$ 4,202,450	$ 650,877	$ 6,699,792	$ 589,979	$ 12,143,098

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

SADDLE BROOK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2025

Total Government Fund Balances (Exhibit B-1)		$ 9,961,475
Amounts reported for governmental activities in the statement of net position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $64,369,012 and the accumulated depreciation is $28,390,274.		35,978,738
Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.		7,456
Certain amounts resulting from the measurement of the net pension liability are reported as either deferred outflows of resources or deferred inflows of resources on the statement of net position and amortized over future years.		
Deferred Outflows of Resources	$ 323,995	
Deferred Inflows of Resources	(627,118)	
		(303,123)
The District has financed capital assets through the issuance of serial bonds and long term-financing obligations. The interest accrual at year end is:		(179,565)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Bonds Payable, Net	$ (16,368,756)	
Net Pension Liability	(4,577,086)	
Financing Agreements	(4,755,439)	
Compensated Absences	(1,800,270)	
		(27,501,551)
Net Position of Governmental Activities (Exhibit A-1)		$ 17,963,430

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

SADDLE BROOK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Property Tax Levy	$ 37,563,142			$ 1,244,262	$ 38,807,404
Tuition	413,623				413,623
Miscellaneous	305,163	$ 505,608	$ 607,269	-	1,418,040
Total - Local Sources	38,281,928	505,608	607,269	1,244,262	40,639,067
State Sources	12,307,833		198,408	631,660	13,137,901
Federal Sources	16,907	1,089,938	-	-	1,106,845
Total Revenues	50,606,668	1,595,546	805,677	1,875,922	54,883,813
EXPENDITURES					
Current					
Regular Instruction	15,663,051	5,064			15,668,115
Special Education Instruction	11,117,072	470,635			11,587,707
Other Instruction	1,449,434	175,205			1,624,639
School-Sponsored Activities and Athletics	832,651	414,211			1,246,862
Support Services					
Student and Instruction Related Services	7,954,648	294,555			8,249,203
Educational Media/School Library	559,211				559,211
General Administrative Services	923,900				923,900
School Administrative Services	2,971,787				2,971,787
Plant Operations and Maintenance	5,397,488				5,397,488
Pupil Transportation	1,854,082				1,854,082
Central Services	868,976				868,976
Debt Service					
Principal	795,576			1,261,000	2,056,576
Interest and Other Charges	159,139			614,921	774,060
Capital Outlay	775,930	193,261	9,117,906	-	10,087,097
Total Expenditures	51,322,945	1,552,931	9,117,906	1,875,921	63,869,703
Excess (Deficiency) of Revenues Over (Under) Expenditures	(716,277)	42,615	(8,312,229)	1	(8,985,890)
OTHER FINANCING SOURCES (USES)					
Financing Agreements (Non-Budget)	745,538				745,538
Transfer In	649,073				649,073
Transfer Out	(8,038)	-	(649,073)	-	(657,111)
Total Other Financing Sources and Uses	1,386,573	-	(649,073)	-	737,500
Net Change in Fund Balances	670,296	42,615	(8,961,302)	1	(8,248,390)
Fund Balance, Beginning of Year	2,732,372	240,747	14,646,768	589,978	18,209,865
Fund Balance, End of Year	$ 3,402,668	$ 283,362	$ 5,685,466	$ 589,979	$ 9,961,475

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

EXHIBIT B-3

SADDLE BROOK BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total net change in fund balances - governmental funds (Exhibit B-2)		$ (8,248,390)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.		
Capital Outlay, Net	$ 10,085,919	
Depreciation Expense	(1,901,479)	
		8,184,440
In the statement of activities, "the issuance of long-term debt (e.g. bonds, loans and leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums and other such items related to the refunding bonds when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Amortization of Discount	(1,313)	
Amortization of Deferred Amounts on Refunding	(1,864)	
Financing Agreements Issued	(745,538)	
Principal Repayments		
Bond Principal	1,261,000	
Financing Agreements Principal	795,576	
		1,307,861
In the statement of activities, certain operating expenses - compensated absences and net pension liability are measured by the amounts earned during the year. In the governmental funds however, expenditures for these items are measured by the amount of financial resources used (paid):		
Net Increase in Compensated Absences	(58,603)	
Decrease in Net Pension Expense	481,846	
		423,243
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		
Decrease in Accrued Interest		684
Change in net position of governmental activities (Exhibit A-2)		$ 1,667,838

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT B-4

SADDLE BROOK BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	Food Service
ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 84,701
Other Accounts Receivable	24,380
Intergovernmental Receivable	
State	1,532
Federal	17,867
Inventories	23,800
Due from Other Funds	8,038
Total Current Assets	160,318
Capital Assets	
Equipment	505,996
Less: Accumulated Depreciation	(308,833)
Total Capital Assets, Net	197,163
Total Assets	357,481
LIABILITIES	
Current Liabilities	
Accounts Payable	506
Unearned Revenue	17,481
Total Current Liabilities	17,987
NET POSITION	
Net Investment in Capital Assets	197,163
Unrestricted	142,331
Total Net Position	$ 339,494

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT B-5

SADDLE BROOK BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Food Service
OPERATING REVENUES	
Charges for Services	
Daily Sales - Reimbursable programs	$ 248,314
Daily Sales - Non-Reimbursable Programs	245,912
	494,226
OPERATING EXPENSES	
Cost of Sales - Reimbursable	272,498
Cost of Sales - Non-Reimbursable	122,427
Salaries and Employee Benefits	320,973
Purchased Property Services	46,802
Other Purchased Services	70,563
Supplies and Materials	46,562
Depreciation	32,420
Miscellaneous	31,872
Total Operating Expenses	944,117
Operating Income/(Loss)	(449,891)
NONOPERATING REVENUES/(EXPENSES)	
State Sources	
School Lunch Program	9,978
NJEIE Lunch	11,292
School Breakfast Program	524
NJEIE Breakfast	718
Summer Electronic Benefit Program -State	321
Federal Sources	
National School Lunch Program	250,137
National School Breakfast Program	16,392
HHFKA	9,866
Food Distribution Program	52,808
Local Food for School (LFS)	3,508
Summer Electronic Benefit Program - Federal	322
Interest and Investment Revenue	1,848
Total Nonoperating Revenues	357,714
Transfers	
Transfers In	8,038
Change in Net Position	(84,139)
Total Net Position, Beginning of Year	423,633
Total Net Position, End of Year	$ 339,494

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT B-6

SADDLE BROOK BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Food Service
Cash Flows from Operating Activities	
Cash Received from Customers	$ 488,172
Cash Payments for Employees' Salaries and Benefits	(320,973)
Cash Payments to Suppliers for Goods and Services	(573,955)
Net Cash Provided/(Used) for Operating Activities	(406,756)
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	329,049
Net Cash Provided/(Used) by Noncapital Financing Activities	329,049
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	(45,226)
Net Cash Used by Capital and Related Financing Activities	(45,226)
Cash Flows from Investing Activities	
Interest on Investments	1,848
Net Cash Provided by Investing Activities	1,848
Net Increase/(Decrease) in Cash and Cash Equivalents	(121,085)
Cash and Cash Equivalents, Beginning of Year	205,786
Cash and Cash Equivalents, End of Year	$ 84,701
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities	
Operating Income (Loss)	$ (449,891)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Noncash Federal Assistance - Food Distribution Program	52,808
Depreciation	32,420
Change in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	123
(Increase)/Decrease in Inventory	2,375
Increase/(Decrease) in Accounts Payable	(38,414)
Increase/(Decrease) in Unearned Revenue	(6,177)
Total Adjustments	43,135
Net Cash Provided by (Used for) Operating Activities	$ (406,756)
Non-Cash Financing Activities	
Food Distribution Program Commodities Received	$ 52,857

The accompanying Notes to the Financial Statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Saddle Brook Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade twelve (12) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Saddle Brook Board of Education this includes general operations, food service, community programs and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2025, the District adopted the following GASB statements:

- GASB Statement No. 101, *Compensated Absences,* was effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

- GASB Statement No. 102, *Certain Risk Disclosures*, was effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

- GASB Statement No. 104, *Disclosure of Certain Capital Assets,* will be effective beginning with the fiscal year ending June 30, 2026. The objective of this Statement is to provide user of governmental financial statements with essential information about certain types of capital assets. The requirements of this Statement will improve financial reporting by provided users of the financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements (Continued)

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases, grants and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for administrators, teachers and special events.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt, acquisitions under financing agreements, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software assets are reported as other financing sources.

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

Use of Estimates

The preparation of financial statements requires management of the District to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. Receivables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

3. Inventories

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources. However, the District had no unused commodity inventory at year end.

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of $2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Land Improvements	15-20
Buildings and Building Improvements	30-40
Machinery and Equipment	5-20

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the difference on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

5. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. Pensions

In the district-wide financial statements and proprietary fund types in the fund financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

8. Financing Agreements

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the governmental fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Differences resulting from debt refundings are classified as deferred inflows of resources or as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Net Position/Fund Balance

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2).

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the 2025/2026 original budget certified for taxes.

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

11. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the 2025/2026 original budget certified for taxes

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Unemployment Compensation – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 2A).

Student Activities/Athletics – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

Scholarship – This restriction was created to represents the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (special revenue, capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

12. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The board of education itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the district's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

2. Property Taxes

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. Tuition Revenues and Expenditures

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2023-2024 and 2024-2025 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

4. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system, including on-behalf payments for post-retirement medical contributions for District employees enrolled in the Public Employees Retirement System (PERS).

Revenues and expenses of governmental activities include the State's proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the District for District employees enrolled in the TPAF retirement system, including the on-behalf actuarial determined post-retirement medical benefit amounts attributable to the District for District employees enrolled in the PERS retirement system.

5. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Lease transactions are accounted for on the GAAP basis.

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year's general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. The annual budget is voted upon at the annual school election on the third Tuesday in April. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required. Effective for the 2025/2026 school year budget, voter approval is not required for budgets that meet levy cap requirements regardless of when the school board member elections are held.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2024/2025. Also, during 2024/2025 the Board increased the original budget of the general fund by $1,121,820 and the special revenue fund by $673,815. The increase was funded by the additional grant awards, the reappropriation of prior year general fund encumbrances, financing agreements, student activity revenues, and scholarship donations.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

B. Capital Reserve

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024		$ 938,140
Increased by:		
Deposits from Capital Projects Fund	$ 41,804	
Deposits Approved by Board Resolution	529,821	
		571,625
Balance, June 30, 2025		$ 1,509,765

The June 30, 2025 LRFP balance of the total costs uncompleted capital projects is estimated by managements to be $6,890,000. $592,000 of the capital reserve balance at June 30, 2025 was designated and appropriated for use in the 2025/2026 original budget certified for taxes.

C. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024	$ 772,083
Increased by:	
Deposits Approved by Board Resolution	666,929
	1,439,012
Decreased by:	
Withdrawals Approved in District Budget	200,000
Balance, June 30, 2025	$ 1,239,012

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The June 30, 2025 comprehensive maintenance plan indicated a maximum maintenance reserve amount of $1,331,073. $327,000 of the maintenance reserve balance at June 30, 2025 was designated and appropriated for use in the 2025/2026 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or $200 million for deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

Bank balances are insured up to $250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to $250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of $250,000 for each failed brokerage firm. At June 30, 2025, the book value of the Board's deposits was $11,138,755 and bank and brokerage firm balances of the Board's deposits amounted to $12,152,839. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account	
Insured	$ 11,591,080
Uninsured and Uncollaterized	561,759
	$ 12,152,839

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2025 the Board's bank balance of $561,759 was exposed to custodial credit risk as follows:

Depository Account	
Uninsured and Uncollaterized	
Collateral held by pledging financial institution's trust department but not in the Board's name.	$ 561,759

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2025, the Board had no outstanding investments.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board's investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

B. Receivables

Receivables as of June 30, 2025 for the District's individual major funds in the aggregate are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Food Service	Total
Receivables:					
Accounts	$ 98,230	$ 50		$ 24,380	$ 122,660
Intergovernmental					
Federal		367,465		17,867	385,332
State	114,083	-	$ 198,408	1,532	314,023
Net Total Receivables	$ 212,313	$ 367,515	$ 198,408	$ 43,779	$ 822,015

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

General Fund	
Pre-K Tuition	$ 2,100
Special Revenue Fund	
Unencumbered Grant Draw Downs	23,028
Total Unearned Revenue for Governmental Funds	$ 25,128

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Balance, July 1, 2024	Increases	Decreases	Balance, June 30, 2025
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 31,974			$ 31,974
Construction in Progress	2,507,435	$ 9,063,883	-	11,571,318
Total capital assets, not being depreciated	2,539,409	9,063,883	-	11,603,292
Capital assets, being depreciated:				
Land Improvements	696,410			696,410
Buildings and Building Improvements	45,431,653	189,083		45,620,736
Machinery and Equipment	5,639,040	834,131	$ (24,597)	6,448,574
Total capital assets being depreciated	51,767,103	1,023,214	(24,597)	52,765,720
Less accumulated depreciation for:				
Buildings and Building Improvements	(385,920)	(26,409)		(412,329)
Land Improvements	(21,668,979)	(1,501,491)		(23,170,470)
Machinery and Equipment	(4,457,315)	(373,579)	23,419	(4,807,475)
Total accumulated depreciation	(26,512,214)	(1,901,479)	23,419	(28,390,274)
Total capital assets, being depreciated, net	25,254,889	(878,265)	(1,178)	24,375,446
Governmental activities capital assets, net	$ 27,794,298	$ 8,185,618	$ (1,178)	$ 35,978,738

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2024	Increases	Balance, June 30, 2025
Business-Type activities:			
Capital assets, being depreciated:			
Machinery and Equipment	$ 460,770	$ 45,226	$ 505,996
Total capital assets being depreciated	460,770	45,226	505,996
Less accumulated depreciation for:			
Machinery and Equipment	(276,413)	(32,420)	(308,833)
Total accumulated depreciation	(276,413)	(32,420)	(308,833)
Total capital assets, being depreciated, net	184,357	12,806	197,163
Business-type activities capital assets, net	$ 184,357	$ 12,806	$ 197,163

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
Instruction	
Regular	$ 687,671
Special Education	370,249
Other Instruction	70,001
School-Sponsored Activities and Athletics	39,479
Total Instruction	1,167,400
Support Services	
Student and Instruction Related Services	314,325
Educational Media	26,090
General and Business Administrative Services	30,668
School Administrative Services	145,871
Plant Operations and Maintenance	147,148
Pupil Transportation	19,335
Central Services	50,642
Total Support Services	734,079
Total Depreciation Expense - Governmental Activities	$ 1,901,479
Business-Type Activities:	
Food Service Fund	$ 32,420

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2025:

Project	Remaining Commitment
2023 Referendum - Various Improvements	$ 3,516,370
23-24 HVAC Upgrades	3,625,279
	$ 7,141,649

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2025, is as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Fund	$ 310,808
Food Service Fund	General Fund	8,038
		$ 318,846

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

Interfund Transfers

	Transfer Out: General Fund	Transfer Out: Capital Projects Fund	Total
Transfer In:			
General Fund		$ 649,073	$ 649,073
Food Service Fund	$ 8,038	-	8,038
Total	$ 8,038	$ 649,073	$ 657,111

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance the construction of major capital facilities and other capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District's approved budget.

Capital financing agreements at June 30, 2025 are comprised of the following:

$4,743,181, fiscal year 2018 Agreement for the Energy Savings Incentive Program for a term of 18 years due in annual principal installments of $75,000 to $310,000 through July 15, 2035 interest at 3.14%	$	3,420,000
$700,000, fiscal year 2022 Agreement for the acquisition of various equipment for a term of 4 years due in annual principal installments of $134,108 through $145,096 through September 15, 2026 interest at 2.66%		286,434
$250,241, fiscal year 2022 Agreement for the acquisition of copiers for a term of 5 years due in annual principal installments of $13,543 to $53,042 through September 15, 2027 interest at 3.38%		117,861
$260,000, fiscal year 2022 Agreement for the acquisition of various vehicles for a term of 5 years due in annual principal installments of $49,362 through $53,319 through November 15, 2025 interest at 2.604%		53,319
$97,671, fiscal year 2024 Agreement for the acquisition of a passenger bus for a term of 5 years due in annual principal installments of $17,127 through $22,100 through December 1, 2027 interest at 6.581%		58,444
Total	$	3,936,058

The unexpended proceeds from the capital financing agreements, including interest earned on balances which remain on deposit are held with the respective fiscal agents.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements

Other Financing Agreements

The District entered into the following agreements to finance the purchase of certain equipment that does not meet the threshold of a capital asset and therefore are classified as expendable supplies. The repayments under these financing agreements are subject to the annual appropriation of funds in the District's approved budget.

Other financing agreements at June 30, 2025 are comprised of the following:

$222,276, fiscal year 2022 Agreement for the acquisition of technology equipment for a term of 5 years due in annual principal installments of $41,914 and $45,896 through September 1, 2025 interest at 3.072%	$	45,896
$190,145, fiscal year 2023 Agreement for the acquisition of technology equipment for a term of 4 years due in annual principal installments of $44,746 and $48,667 through September 1, 2025 interest at 4.286%		48,664
$91,960, fiscal year 2024 Agreement for the acquisition of interactive displays for a term of 4 years due in annual principal installments of $20,851 and $25,221 through February 10, 2027 interest at 6.547%		45,888
$180,000, fiscal year 2024 Agreement for the acquisition of chromebooks for a term of 4 years due in annual principal installments of $40,803 and $49,378 through October 15, 2026 interest at 6.56%		89,819
$545,538, fiscal year 2025 Agreement for the acquisition of security cameras for a term of 6 years due in annual principal installments of $98,826 and $101,865 through September 15, 2029 interest at 5.69%		443,673
$200,000, fiscal year 2025 Agreement for the acquisition of chromebooks for a term of 4 years due in annual principal installments of $45,618 and $54,559 through September 1, 2027 interest at 6.148%		145,441
Total	$	819,381

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements (Continued)

Other Financing Agreements (Continued)

The maturity schedule of the remaining capital and other financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	Capital Agreements Principal	Capital Agreements Interest	Other Agreements Principal	Other Agreements Interest	Total
2026	$ 514,186	$ 121,483	$ 285,064	$ 46,605	$ 967,338
2027	482,593	105,439	202,127	31,487	821,646
2028	319,279	90,461	139,863	19,151	568,754
2029-3033	1,735,000	295,631	192,327	16,581	2,239,539
3034-3036	885,000	46,866	-	-	931,866
Total	$ 3,936,058	$ 659,880	$ 819,381	$ 113,824	$ 5,529,143

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2025 are comprised of the following issues:

$2,955,000, 2012 Pension Refunding Bonds, due in annual installments of $210,000 to $240,000 through August 15, 2028, interest at 5.00% - 5.75%	$ 900,000
$4,609,000, 2015 School Bonds, due in annual installments of $349,000 to $350,000 through February 15, 2030, interest at 2.00%-3.00%	1,749,000
$14,441,000, 2023 School Bonds, due in annual installments of $500,000 to $1,000,000 through May 15, 2043, interest at 3.25%-4.00%	13,725,000
	$ 16,374,000

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Year Ending June 30,	Serial Bonds Principal	Interest	Total
2026	$ 1,060,000	$ 572,692	$ 1,632,692
2027	1,095,000	536,912	1,631,912
2028	1,130,000	499,898	1,629,898
2029	1,165,000	461,654	1,626,654
2030	949,000	427,426	1,376,426
2031-2034	2,785,000	1,459,174	4,244,174
2035-2043	8,190,000	1,660,350	9,850,350
	$ 16,374,000	$ 5,618,106	$ 21,992,106

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2025 was as follows:

4% of Equalized Valuation Basis (Municipal)	$ 129,497,496
Less: Net Debt Issued and Authorized But Not Issued	15,474,820
Remaining Borrowing Power	$ 114,022,676

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2025, was as follows:

	Balance, July 1, 2024 (Restated)	Additions	Reductions	Balance, June 30, 2025	Due Within One Year
Governmental Activities:					
Bonds Payable	$ 17,635,000		$ 1,261,000	$ 16,374,000	$ 1,060,000
Deferred Amounts					
Less: Discount	(6,557)	-	(1,313)	(5,244)	1,313
Total Bonds Payable	17,628,443	-	1,259,687	16,368,756	1,061,313
Net Pension Liability	4,896,648	$ 138,792	458,354	4,577,086	
Capital Financing Agreements	4,422,364		486,306	3,936,058	514,186
Other Financing Agreements	383,113	745,538	309,270	819,381	285,064
Compensated Absences (Restated)	1,741,667	133,102	74,499	1,800,270	50,000
Governmental Activity Long-Term Liabilities	$ 29,072,235	$ 1,017,432	$ 2,588,116	$ 27,501,551	$ 1,910,563

For the governmental activities, the liabilities for compensated absences, capital and other financing agreements and net pension liability are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The District provided traditional health coverage with the State Employee Health Benefit Program.

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The relationship between the Board and the insurance Groups is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Groups, to report claims on a timely basis, cooperate with the management of the Groups, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Groups. Members have a contractual obligation to fund any deficit of the Groups attributable to a membership year during which they were a member.

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's restricted fund for the current and previous two years:

Year Ended June 30,	District Contributions	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2025			$ 10,713	$ 67,462	$ 294,626
2024		$ 2,856	14,044	120,391	351,376
2023		36,852	436	26,096	423,050

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2025, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

NOTE 4 OTHER INFORMATION (Continued)

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2025, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.nj.gov/treasury/pensions/annual-reports.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.nj.gov/treasury/pensions/annual-reports.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represent the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for their respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least $5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits ("Division"), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Plan Amendments

The authority to amend the provisions of the above plans rests with legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Empower Retirement (formerly Prudential) is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2023 is $13.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 68.22%. The collective net pension liability of the State funded TPAF at June 30, 2024 is $49.5 billion and the plan fiduciary net position as a percentage of total pension liability is 37.99%.

The total pension liabilities for the June 30, 2024 measurement date were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the July 1, 2023 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2025.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2025 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2025, 2024 and 2023 were equal to the required contributions.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

During the fiscal years ended June 30, 2025, 2024 and 2023 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively, for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended June 30,	PERS	On-behalf TPAF	DCRP
2025	$ 458,354	$ 5,654,458	$ 42,483
2024	454,144	5,704,783	39,626
2023	451,413	5,171,719	13,466

In addition for fiscal years 2025, 2024 and 2023 the State contributed $2,476, $2,333 and $2,047, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $1,237,841 during the fiscal year ended June 30, 2025 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2023 through June 30, 2024. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense/(benefit) are determined separately for each individual employer of the State and local groups of the plan.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2024 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2024.

At June 30, 2024, the District reported in the statement of net position (accrual basis) a liability of $4,577,086 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2024. At June 30, 2024, the District's proportionate share was 0.03368 percent, which was a decrease of 0.00013 percent from its proportionate share measured as of June 30, 2023 of 0.03381 percent.

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of $23,492 for PERS. The pension contribution made by the District during the current 2024/2025 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2025 with a measurement date of the prior fiscal year end of June 30, 2024. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2025 for contributions made subsequent to the measurement date. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 91,687	$ 12,185
Changes of Assumptions	5,686	52,077
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		212,227
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	226,622	350,629
Total	$ 323,995	$ 627,118

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2025, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending June 30,	Total
2026	$ 244,630
2027	(75,671)
2028	(51,994)
2029	(420,088)
Thereafter	-
	$ (303,123)

Actuarial Assumptions

The District's total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%
International Small Cap Equity	1.25%	8.85%

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability as of the June 30, 2024 measurement date calculated using the discount rate of 7.00, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's Proportionate Share of the PERS Net Pension Liability	$ 5,958,392	$ 4,577,086	$ 3,401,412

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2024. A sensitivity analysis specific to the District's net pension liability at June 30, 2024 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2023 through June 30, 2024. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2024, the State's pension contribution was more than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of $238,645 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2025 the State's proportionate share of the net pension liability attributable to the District is $65,420,882. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2024. At June 30, 2024, the State's share of the net pension liability attributable to the District was 0.13236 percent, which was an increase of 0.00758 percent from its proportionate share measured as of June 30, 2023 of 0.12478 percent.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%
International Small Cap Equity	1.25%	8.85%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability as of the June 30, 2024 measurement date attributable to the District c as of the June 30, 2024 measurement date calculated using the discount rate of 7.00%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	$ 77,143,091	$ 65,420,882	$ 55,547,996

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2024. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2024 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pension (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2023:

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
Total	372,741

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2024 is $59.7 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2024 were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the June 30, 2023 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of $1.50 billion to the OPEB plan in fiscal year 2024.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2025, 2024 and 2023 were $1,652,237, $1,552,633 and $1,358,598, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2023 through June 30, 2024. Nonemployer allocation percentages have been rounded for presentation purposes.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of $2,276,676. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2025 the State's proportionate share of the OPEB liability attributable to the District is $73,121,276. The State's proportionate share of the OPEB liability attributable to the District was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2024. At June 30, 2024, the state's share of the OPEB liability attributable to the District was 0.12 percent, which was unchanged from its proportionate share measured as of June 30, 2023 of 0.12 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	PERS	TPAF
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 5.65% Based on Years of Service

Mortality Rates

Preretirement mortality rates were based on the Pub-2010 Health "Teachers" (TPAF) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disables retirees. Future disabled retirees was based on the Pub-2010 "General" (PERS) and "Teachers" (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the plan upon retirement.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is, increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2025 (measurement date June 30, 2024) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2023 Measurement Date	$ 63,833,980
Changes Recognized for the Fiscal Year:	
Service Cost	2,637,341
Interest on the Total OPEB Liability	2,406,979
Differences Between Expected and Actual Experience	547,838
Changes of Assumptions	5,470,444
Gross Benefit Payments	(1,838,249)
Contributions from the Member	62,943
Net Changes	$ 9,287,296
Balance, June 30, 2024 Measurement Date	$ 73,121,276

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District as of the June 30, 2024 measurement date calculated using the discount rate of 3.93%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
State's Proportionate Share of the OPEB Liability Attributable to the District	$ 85,722,143	$ 73,121,276	$ 63,004,243

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District as of the June 30, 2024 measurement date calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	$ 60,701,932	$ 73,121,276	$ 89,372,019

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024 were not provided by the pension system.

F. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Saddle Brook Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

NOTE 5 RESTATEMENT

During fiscal year 2025, the Saddle Brook Board of Education determined that the governmental activities beginning balance had to be restated due to the implementation of GASB 101 for Compensated Absences. The Saddle Brook Board of Education has determined that the effect of the implementation of GASB 101 on the financial statements previously reported as of and for the fiscal year ended June 30, 2024 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2024 have been restated to reflect certain activities related to the implementation of GASB 101. The effect of this restatement is to decrease net position of governmental activities by $1,143,355 from $17,438,947 as previously reported to $16,295,592 as of June 30, 2024. In addition, the liability for compensated absences payable is increased by $1,143,355 from $598,312 as previously reported to $1,741,667.

	District-Wide Net Position Governmental Activities	District-Wide Long Term Liabilities - Compensated Absences Governmental Activities
Balance July 1, 2024 - As Reported	$ 17,438,947	$ 598,312
Change in Accounting Principle (Adoption of GASB No.101)	(1,143,355)	1,143,355
	$ 16,295,592	$ 1,741,667

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

SADDLE BROOK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts				Variance Final Budget
	Original	Adjustments	Final	Actual	with Actual
REVENUES					
Local Sources					
Local Tax Levy	$ 37,563,142		$ 37,563,142	$ 37,563,142	
Tuition from Individuals	95,000		95,000	232,523	$ 137,523
Tuition from Other LEAs Within the State	115,000		115,000	181,100	66,100
Miscellaneous	241,449	-	241,449	305,163	63,714
Sub-Total Local Sources	38,014,591	-	38,014,591	38,281,928	267,337
State Sources					
Special Education Aid	2,153,994		2,153,994	2,153,994	-
Equalization Aid	184,636		184,636	184,636	-
Security Aid	360,485		360,485	360,485	-
Transportation Aid	271,173		271,173	271,173	-
Extraordinary Aid	425,000		425,000	807,313	382,313
Non Public Transportation Aid				54,172	54,172
On Behalf TPAF Pension Contribution- (Non-Budgeted)					
Normal				5,585,271	5,585,271
NCGI Premium				69,187	69,187
Post Retirement Medical Contributions				1,652,237	1,652,237
Long-Term Disability				2,476	2,476
Reimbursed TPAF Social Security Contributions (Non Budgeted)	-	-	-	1,237,841	1,237,841
Sub-Total State Sources	3,395,288	-	3,395,288	12,378,785	8,983,497
Federal Sources					
Medicaid Assistance Program (SEMI)	31,044	-	31,044	16,907	(14,137)
Sub-Total Federal Sources	31,044	-	31,044	16,907	(14,137)
Total Revenues	41,440,923	-	41,440,923	50,677,620	9,236,697
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	66,296		66,296	66,296	-
Kindergarten	471,308	$ 30	471,338	471,338	-
Grades 1-5	3,238,086	(179,877)	3,058,209	3,057,299	910
Grades 6-8	1,728,556	(181,872)	1,546,684	1,546,684	-
Grades 9-12	3,003,964	11,911	3,015,875	3,015,875	-
Regular Programs- Home Instructions					
Salaries of Teachers	50,000	8,938	58,938	58,938	-
Purchased Professional-Educational Services	8,000	(8,000)	-		-
Regular Programs- Undistributed Instruction					
Other Salaries for Instruction	49,476	22,641	72,117	72,117	-
Purchased Professional-Educational Services	200,000	219,037	419,037	417,562	1,475
Other Purchased Services	293,590	(9,041)	284,549	284,482	67
General Supplies	239,344	192,887	432,231	396,943	35,288
Textbooks	33,345	(32,176)	1,169	1,169	-
Lease Purchase (Non-Budget)	-	-	-	200,000	(200,000)
Total Regular Programs	9,381,965	44,478	9,426,443	9,588,703	(162,260)
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	194,292	49,036	243,328	242,199	1,129
Other Salaries for Instruction	135,572	13,948	149,520	148,006	1,514
Purchased Professional-Educational Services	45,000	(5,000)	40,000	40,000	-
Other Purchased Services	4,000	-	4,000	3,228	772
General Supplies	8,500	1,168	9,668	9,540	128
Total Learning and/or Language Disabilities	387,364	59,152	446,516	442,973	3,543

Continued

SADDLE BROOK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts				Variance Final Budget
	Original	Adjustments	Final	Actual	with Actual
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Multiple Disabilities					
Salaries of Teachers	$ 59,296	$ 64,997	$ 124,293	$ 124,252	$ 41
Other Salaries for Instruction	22,351	231,910	254,261	254,261	-
General Supplies	500	-	500	-	500
Total Multiple Disabilities	82,147	296,907	379,054	378,513	541
Resource Room					
Salaries of Teachers	2,483,462	(80,366)	2,403,096	2,403,096	-
Other Salaries for Instruction	700,530	(502,653)	197,877	197,579	298
General Supplies	15,000	(857)	14,143	13,332	811
Textbooks	-	-	-	-	-
Total Resource Room	3,198,992	(583,876)	2,615,116	2,614,007	1,109
Autism					
Salaries of Teachers	381,042	(134,948)	246,094	246,094	-
Other Salaries for Instruction	95,197	275,489	370,686	369,861	825
General Supplies	15,500	(10,877)	4,623	4,256	367
Total Autism	491,739	129,664	621,403	620,211	1,192
Preschool Disabilities - Part - Time					
Salaries of Teachers	100,844	20,788	121,632	121,632	-
Other Salaries for Instruction	100,991	(76,901)	24,090	24,090	-
General Supplies	11,900	(7,390)	4,510	4,510	-
Total Preschool Handicapped - Part - Time	213,735	(63,503)	150,232	150,232	-
Preschool Disabilities - Full - Time					
Salaries of Teachers	171,592	37,135	208,727	208,727	-
Other Salaries for Instruction	151,486	(28,646)	122,840	122,840	-
General Supplies	14,600	124	14,724	14,581	143
Total Preschool Disabilities - Full - Time	337,678	8,613	346,291	346,148	143
Home Instruction					
Purchased Professional Educational Services	8,000	(5,540)	2,460	2,460	-
Total Home Instruction	8,000	(5,540)	2,460	2,460	-
Total Special Education	4,719,655	(158,583)	4,561,072	4,554,544	6,528
Basic Skills/Remedial					
Salaries of Teachers	732,664	-	732,664	732,349	315
Supplies	1,200	752	1,952	1,952	-
Total Basic Skills/Remedial	733,864	752	734,616	734,301	315
Bilingual Education					
Salaries of Teachers	131,592	(19,648)	111,944	111,382	562
Total Bilingual Education	131,592	(19,648)	111,944	111,382	562

Continued

SADDLE BROOK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts				Variance Final Budget
	Original	Adjustments	Final	Actual	with Actual
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
School Sponsored Co/Extra Curricular Activities					
Salaries	$ 144,800	$ (4,174)	$ 140,626	$ 140,626	-
Purchased Services	-	4,460	4,460	4,460	-
Supplies	5,650	(1,575)	4,075	4,075	-
Other Objects	25,000	(19,955)	5,045	5,045	-
Total School Sponsored Co/Extra Curricular Activities	175,450	(21,244)	154,206	154,206	-
School Sponsored Athletics					
Salaries	363,427	(28,213)	335,214	335,214	-
Purchased Services	62,025	8,625	70,650	61,544	$ 9,106
Supplies and Materials	53,500	3,978	57,478	56,348	1,130
Other Objects	29,752	(11,052)	18,700	18,700	-
Total School Sponsored Athletics	508,704	(26,662)	482,042	471,806	10,236
Total - Instruction	15,651,230	(180,907)	15,470,323	15,614,942	(144,619)
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State - Special	181,213	13,231	194,444	194,444	-
Tuition to County Vocational School Dist.-Regular	543,654	(134,538)	409,116	409,116	-
Tuition to County Vocational School Dist.-Special	614,304	(135,384)	478,920	478,920	-
Tuition to CSSD & Regional Day Schools	386,966	257,674	644,640	644,640	-
Tuition to Private Schools for Disabled Within the State	2,279,964	46,674	2,326,638	2,326,638	-
Tuition to State Facilities	41,897	-	41,897	41,897	-
Total Tuition	4,047,998	47,657	4,095,655	4,095,655	-
Health Services					
Salaries	476,338	(50,115)	426,223	426,223	-
Purchased Prof .and. Tech services	16,000	(4,386)	11,614	11,614	-
Other Purchased Services	1,500	613	2,113	768	1,345
Supplies and Materials	6,400	4,136	10,536	9,340	1,196
Other Objects	3,000	-	3,000	2,972	28
Total Health Services	503,238	(49,752)	453,486	450,917	2,569
Speech, OT/PT and Related Services					
Salaries	812,437	(27,710)	784,727	784,727	-
Purchased Prof. Ed. Services	65,650	6,714	72,364	72,364	-
Supplies and Materials	3,000	374	3,374	3,374	-
Total Speech, OT/PT and Related Services	881,087	(20,622)	860,465	860,465	-
Other Support Services - Students - Extra. Serv.					
Salaries	578,851	(175,301)	403,550	403,550	-
Purchased Professional-Educational Services	961,483	439,509	1,400,992	1,400,992	-
Total Other Support Services - Students - Extra Serv.	1,540,334	264,208	1,804,542	1,804,542	-
Guidance					
Salaries of Other Professional Staff	642,144	9,281	651,425	651,369	56
Salaries of Secretarial and Clerical Assistants	74,119	(10,956)	63,163	63,163	-
Other Purchased Services	33,600	15,556	49,156	48,295	861
Supplies and Materials	13,100	3,867	16,967	16,967	-
Other Objects	896	(497)	399	399	-
Total Guidance	763,859	17,251	781,110	780,193	917

Continued

SADDLE BROOK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts				Variance Final Budget
	Original	Adjustments	Final	Actual	with Actual
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Child Study Team					
Salaries of Other Professional Staff	$ 1,165,818	$ (61,686)	$ 1,104,132	$ 1,104,014	$ 118
Salaries of Secretarial and Clerical Assistants	60,057	4,624	64,681	64,557	124
Purchased Prof. - Ed. Services	25,000	6,142	31,142	31,142	-
Travel	800	-	800	270	530
Supplies and Materials	12,000	(4,403)	7,597	7,597	-
Other Objects	-	200	200	200	-
Total Child Study Team	1,263,675	(55,123)	1,208,552	1,207,780	772
Improvement of Instructional Svcs/ Other Support Svcs - Instructional Staff					
Salaries of Supervisor of Instruction	253,889	2,800	256,689	256,689	-
Salaries of Other Professional Staff	10,000	(4,250)	5,750	5,750	-
Other Salaries	10,500	4,358	14,858	13,715	1,143
Other Purchased Services	2,000	(637)	1,363	1,180	183
Other Objects	-	-	-	(6,016)	6,016
Total Improvement of Instructional Svcs	276,389	2,271	278,660	271,318	7,342
Educational Media Services/School Library					
Salaries	320,865	(6,405)	314,460	314,460	-
Supplies and Materials	17,550	(2,462)	15,088	14,817	271
Other Objects	6,700	(1,000)	5,700	4,916	784
Total Educational Media Services/School Library	345,115	(9,867)	335,248	334,193	1,055
Instructional Staff Training Services					
Salaries of Other Professional Staff		3,375	3,375	3,375	-
Other Salaries	4,000	7,451	11,451	11,451	-
Other Purchased Services	16,000	(3,411)	12,589	8,005	4,584
Supplies and Materials	2,000	-	2,000	527	1,473
Total Instructional Staff Training Services	22,000	7,415	29,415	23,358	6,057
Support Services General Administration					
Salaries	367,882	1,780	369,662	369,645	17
Legal Services	45,000	(5,843)	39,157	39,157	-
Audit Fees	43,000	43,080	86,080	44,080	42,000
Other Purchased Professional Services		4,965	4,965	4,965	-
Communications/Telephone	145,000	(49,621)	95,379	95,379	-
BOE Other Purchased Services	9,000	(2,826)	6,174	6,060	114
Miscellaneous Purchased Services	55,400	(3,441)	51,959	51,959	-
General Supplies	4,000	2,422	6,422	5,474	948
BOE In-House Training/Meeting Supplies	3,000	-	3,000	1,985	1,015
Miscellaneous Expenditures	4,500	22,000	26,500	25,157	1,343
BOE Membership Dues and Fees	14,000	1,531	15,531	15,531	-
Total Support Services General Administration	690,782	14,047	704,829	659,392	45,437
Support Services School Administration					
Salaries of Principals/Asst. Principals	1,333,154	1,467	1,334,621	1,334,495	126
Salaries of Secretarial and Clerical Assistants	417,156	6,831	423,987	423,694	293
Purchased Professional & Technical Services	3,000	15,209	18,209	18,209	-
Other Purchased Services	24,750	6,371	31,121	31,121	-
Supplies and Materials	26,400	(2,630)	23,770	21,794	1,976
Other Objects	20,000	(5,041)	14,959	14,808	151
Total Support Services School Administration	1,824,460	22,207	1,846,667	1,844,121	2,546

Continued

SADDLE BROOK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts				Variance Final Budget
	Original	Adjustments	Final	Actual	with Actual
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	$ 405,873	$ (1,961)	$ 403,912	$ 402,818	$ 1,094
Purchased Professional Services	31,500	14,175	45,675	45,675	
Purchased Technical Services	8,400	20,882	29,282	27,282	2,000
Miscellaneous Purchased Services	13,100	99,920	113,020	83,881	29,139
Supplies and Materials	9,900	(800)	9,100	8,965	135
Interest on Lease Purchase agreements	11,312	-	11,312	11,311	1
Miscellaneous Expenditures	1,300	13,833	15,133	15,133	-
Total Central Services	481,385	146,049	627,434	595,065	32,369
Admin. Info. Tech.					
Salaries	217,736	(10,168)	207,568	207,568	-
Purchased Technical Services	142,980	(12,110)	130,870	130,291	579
Other Purchased Services	55,000	(43,948)	11,052	8,057	2,995
Supplies and Materials	47,000	2,758	49,758	49,410	348
Other Objects	2,000	-	2,000	50	1,950
Total Admin. Info. Tech.	464,716	(63,468)	401,248	395,376	5,872
Required Maintenance for School Facilities					
Cleaning, Repair and Maintenance Services	384,702	384,359	769,061	766,631	2,430
General Supplies	31,000	(3,087)	27,913	26,973	940
Other Objects	5,000	9,775	14,775	14,355	420
Total Required Maintenance for School Facilities	420,702	391,047	811,749	807,959	3,790
Custodial Services					
Salaries	1,264,741	162,577	1,427,318	1,427,318	-
Salaries of Non-Instructional Aides	175,650	97,721	273,371	273,371	-
Purchased Professional & Technical Services	12,000	(12,000)	-		-
Cleaning, Repair and Maint. Services	97,200	8,702	105,902	105,663	239
Other Purchased Property Services	30,000	636	30,636	30,636	-
Insurance	387,000	33,458	420,458	420,458	-
General Supplies	145,500	6,328	151,828	151,828	-
Energy - Natural Gas	178,000	(39,762)	138,238	138,238	-
Energy - Electricity	291,000	43,562	334,562	334,562	-
Other Objects	1,100	192	1,292	1,292	-
Interest-Energy Savings Improvement Bonds	112,805	-	112,805	112,805	-
Principal-Energy Savings Improvement Bonds	230,000	-	230,000	230,000	-
Total Custodial Services	2,924,996	301,414	3,226,410	3,226,171	239
Care and Upkeep of Grounds					
Salaries	72,884	6	72,890	72,890	-
Purchased Professional & Technical Services		5,450	5,450	5,300	150
Cleaning, Repair and Maint. Svc	154,700	87,357	242,057	229,233	12,824
General Supplies	24,800	(6,208)	18,592	18,592	-
Total Care and Upkeep of Grounds	252,384	86,605	338,989	326,015	12,974

Continued

SADDLE BROOK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts				Variance Final Budget
	Original	Adjustments	Final	Actual	with Actual
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Security					
Cleaning, Repair and Maint. Svc		$ 104,906	$ 104,906	$ 104,454	$ 452
General Supplies	$ 3,000	(3,000)	-	-	-
Total Security	3,000	101,906	104,906	104,454	452
Student Transportation Services					
Salaries for Pupil Transportation (Other Than Between Home and School)	282,731	(49,685)	$ 233,046	$ 233,046	-
Cleaning, Repair and Maintenance Services	37,000	37,469	74,469	74,469	-
Lease Purchase Payments - School Buses	47,101	-	47,101	46,171	930
Contracted Services (Other Than Between Home and School) - Vendors	2,000	(2,000)			-
Contracted Services (Between Home and School) - Vendors	146,000	(21,681)	124,319	124,319	-
Contracted Services (Special Ed Students) - Vendors	15,000	(15,000)			-
Contracted Services (Special Ed Students) -Joint Agreements	1,200,000	(51,860)	1,148,140	1,148,140	-
Contracted Services - Aid in Lieu of Payments - Nonpublic	141,000	(11,562)	129,438	129,438	-
Transportation Supplies	27,000	13,099	40,099	40,099	-
Other Objects	1,800	1,568	3,368	3,368	-
Total Student Transportation Services	1,899,632	(99,652)	1,799,980	1,799,050	930
Unallocated Benefits					
Group Insurance - DCRP	15,000	(261)	14,739	14,739	-
Social Security Contributions	445,000	3,932	448,932	448,932	-
Other Retirement Contributions - PERS	490,000	10,842	500,842	500,842	-
Workmen's Compensation	185,000	11,957	196,957	196,957	-
Health Benefits	5,518,600	(290,989)	5,227,611	5,227,611	-
Tuition Reimbursement	57,000	(52,170)	4,830	4,830	-
Other Employee Benefits	8,000	69,174	77,174	77,174	-
Total Unallocated Benefits	6,718,600	(247,515)	6,471,085	6,471,085	-
On Behalf TPAF Pension Contributions- (Non-Budgeted)					
Normal				5,585,271	(5,585,271)
NCGI Premium				69,187	(69,187)
Post Retirement Medical Contribution				1,652,237	(1,652,237)
Long-Term Disability				2,476	(2,476)
On Behalf TPAF Social Security Contribution (Non Budgeted)	-	-	-	1,237,841	(1,237,841)
Total On-Behalf Contributions	-	-	-	8,547,012	(8,547,012)
Total Undistributed Expenditures	25,324,352	856,078	26,180,430	34,604,121	(8,423,691)
Interest Earned on Maintenance Reserve	500	-	500	-	500
Total Current Expenditures	40,976,082	675,171	41,651,253	50,219,063	(8,567,810)

Continued

SADDLE BROOK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts				Variance Final Budget
	Original	Adjustments	Final	Actual	with Actual
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	$ 1,000	-	$ 1,000	-	$ 1,000
Equipment					
Preschool Disabilities-Part-time		$ 6,855	6,855	$ 6,855	-
School Sponsored and Other Instruction		9,090	9,090	9,090	-
Undistr. Expend.- Admin Info. Tech.	90,000	469,332	559,332	7,186	552,146
Undistr. Expend - Required Maintenance		2,421	2,421	2,421	-
Undistr. Expend - Custodial Services		4,839	4,839	4,839	-
Undistr. Expend - Care & Upkeep of Grounds	-	7,605	7,605	7,605	-
Undistr. Expend - Lease Purchase (Non-budget)	-	-	-	545,538	(545,538)
Total Undistributed Expenditures	90,000	500,142	590,142	583,534	6,608
Facilities Acquisition and Construction Services					
Construction Services	137,645	(1)	137,644	137,644	-
Assessment for Debt Service on SDA Funding	50,619	-	50,619	50,619	-
Total Facilities Acquisition and Construction Services.	188,264	(1)	188,263	188,263	-
Total Capital Outlay	279,264	500,141	779,405	771,797	7,608
Transfers to Charter Schools	385,577	(53,492)	332,085	332,085	-
Total Expenditures	41,640,923	1,121,820	42,762,743	51,322,945	(8,560,202)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(200,000)	(1,121,820)	(1,321,820)	(645,325)	676,495
Other Financing Sources(Uses)					
Financing Agreements (Non-Budget)		-	-	745,538	745,538
Transfer In From Capital Projects Fund	-	-	-	649,073	649,073
Transfer Out to Food Service Fund	-	-	-	(8,038)	(8,038)
Total Other Financing Sources(Uses)	-	-	-	1,386,573	1,386,573
Change in Fund Balance	(200,000)	(1,121,820)	(1,321,820)	741,248	2,063,068
Fund Balances, Beginning of Year	3,687,414	-	3,687,414	3,687,414	-
Fund Balances, End of Year	$ 3,487,414	$ (1,121,820)	$ 2,365,594	$ 4,428,662	$ 2,063,068
Recapitulation					
Restricted Fund Balance:					
Capital Reserve				$ 917,765	
Capital Reserve - Designated for Subsequent Year's Expenditures				592,000	
Maintenance Reserve				912,012	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				327,000	
Unemployment				294,626	
Assigned Fund Balance:					
Year-end Encumbrances				108,166	
Unassigned Fund Balance				1,277,093	
				4,428,662	
Reconciliation to Governmental Fund Statements (GAAP)					
Last two State Aid Payments				218,681	
Extraordinary Aid Payment				807,313	
Fund Balances per Governmental Funds (GAAP)				$ 3,402,668	

SADDLE BROOK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts				Variance
	Original	Adjustments	Final	Actual	Final Budget with Actual
REVENUES					
Intergovernmental					
Local	$ 305,000	$ (68,367)	$ 236,633	$ 505,608	$ 268,975
State	1,000	1,686	2,686	-	(2,686)
Federal	669,000	740,496	1,409,496	1,089,938	(319,558)
Total Revenues	$ 975,000	$ 673,815	$ 1,648,815	$ 1,595,546	$ (53,269)
EXPENDITURES					
Instruction					
Salaries of Teachers		$ 2,311	$ 2,311		$ 2,311
Purchased Prof. and Technical Services	$ 200	20,128	20,328	$ 17,980	2,348
Tuition	400,000	70,635	470,635	470,635	-
General Supplies	220,600	(42,055)	178,545	161,924	16,621
Other Purchased Services		515	515	365	150
Textbooks	200	(200)			-
Student Activities/Athletics (Non-Budget)	300,000	(300,000)	-	414,211	(414,211)
Total Instruction	921,000	(248,666)	672,334	1,065,115	(392,781)
Support Services					
Other Salaries		77,481	77,481	77,481	-
Personal Services-Employee Benefits		1,760	1,760	1,760	-
Purchased Professional/Technical Services	54,000	(1,438)	52,562	41,651	10,911
Purchased Property Services		26,272	26,272	26,272	-
Other Purchased Services		16,980	16,980	15,100	1,880
Supplies and Materials		433,516	433,516	132,291	301,225
Scholarship Awards (Non-Budget)	-	-	-	-	-
Total Support Services	54,000	554,571	608,571	294,555	314,016
Capital Outlay					
Instructional Equipment		-		-	-
Non Instructional Equipment	-	367,910	367,910	193,261	174,649
Total Capital Outlay	-	367,910	367,910	193,261	174,649
Total Expenditures	975,000	673,815	1,648,815	1,552,931	95,884
Change in Fund Balance	-	-	-	42,615	42,615
Fund Balances, Beginning of Year	240,747	-	240,747	240,747	-
Fund Balances, End of Year	$ 240,747	$ -	$ 240,747	$ 283,362	$ 42,615

Recapitulation of Fund Balance:

Restricted:	
Student Activities/Athletics	$ 280,496
Scholarships	2,866
	$ 283,362

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

SADDLE BROOK BOARD OF EDUCATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	$ 50,677,620	$ 1,595,546
Differences- Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized- June 30, 2025		
June 30, 2024		
State Aid payment and Extraordinary Aid (2023/2024) recognized for GAAP purposes, not recognized for budgetary statements.	955,042	
State Aid payment and Extraordinary Aid (2024/2025) recognized for budgetary purposes not recognized for GAAP statements	(1,025,994)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	$ 50,606,668	$ 1,595,546
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$ 51,322,945	$ 1,552,931
Difference- Budget to GAAP:		
Encumbrances for goods and services ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the goods and services are receive for financial reporting purposes- June 30, 2025		
June 30, 2024	-	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 51,322,945	$ 1,552,931

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION AND OTHER POST-EMPLOYMENT BENEFITS INFORMATION

EXHIBIT L-1

SADDLE BROOK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employees Retirement System

Last Ten Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Position Liability (Asset)	0.03368 %	0.03381 %	0.03580 %	0.03285 %	0.03549 %	0.03659 %	0.03715 %	0.03739 %	0.03816 %	0.03861 %
District's Proportionate Share of the Net Pension Liability (Asset)	$ 4,577,086	$ 4,896,648	$ 5,402,208	$ 3,891,942	$ 5,788,598	$ 6,596,668	$ 7,315,729	$ 8,703,658	$ 11,301,231	$ 8,666,481
District's Covered Payroll	$ 2,598,524	$ 2,606,435	$ 2,518,684	$ 2,507,859	$ 2,344,325	$ 2,506,364	$ 2,392,364	$ 2,515,519	$ 2,443,192	$ 2,534,706
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	176.1 %	187.9 %	214.5 %	155.2 %	246.9 %	263.2 %	305.8 %	346.0 %	462.6 %	341.9 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68.

EXHIBIT L-2

SADDLE BROOK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 458,354	$ 454,144	$ 451,413	$ 384,748	$ 388,317	$ 355,953	$ 369,577	$ 346,373	$ 338,988	$ 349,095
Contributions in Relation to the Contractually Required Contribution	458,354	454,144	451,413	384,748	388,317	355,953	369,577	346,373	338,988	349,095
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 2,494,644	$ 2,598,524	$ 2,606,435	$ 2,518,684	$ 2,507,859	$ 2,344,325	$ 2,506,364	$ 2,392,364	$ 2,515,519	$ 2,443,192
Contributions as a Percentage of Covered Payroll	18 %	17 %	18 %	15 %	17 %	14 %	15 %	14 %	14 %	13 %

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68.

SADDLE BROOK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Teachers Pension and Annuity Fund

Last Ten Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Position Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	$ 65,420,882	$ 63,676,910	$ 61,014,090	$ 59,948,773	$ 81,620,795	$ 78,717,780	$ 77,466,577	$ 85,210,558	$ 98,556,805	$ 78,882,614
Total	$ 65,420,882	$ 63,676,910	$ 61,014,090	$ 59,948,773	$ 81,620,795	$ 78,717,780	$ 77,466,577	$ 85,210,558	$ 98,556,805	$ 78,882,614
District's Covered Payroll	$ 16,466,464	$ 15,996,342	$ 15,976,458	$ 15,509,442	$ 13,821,287	$ 13,539,223	$ 13,174,271	$ 13,288,124	$ 9,078,798	$ 12,460,264
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.99%	34.68% %	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68.

SADDLE BROOK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

SADDLE BROOK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORAMTION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Eight Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	$ 2,637,341	$ 2,422,823	$ 3,222,067	$ 3,978,686	$ 2,141,371	$ 2,066,017	$ 2,287,177	$ 2,717,386
Interest On OPEB Liability	2,406,979	2,248,155	1,616,941	1,909,805	1,882,991	2,335,934	2,441,635	2,123,633
Changes of Benefit Terms	-	-	-	(78,361)			-	-
Differences Between Expected and Actual Experience	547,838	(284,890)	471,975	(17,577,433)	15,977,032	(10,304,962)	(4,029,569)	-
Changes of Assumptions	5,470,444	128,663	(16,367,577)	72,633	15,850,111	781,057	(6,778,214)	(8,808,156)
Gross Benefit Payments	(1,838,249)	(1,752,473)	(1,601,628)	(1,504,391)	(1,510,615)	(1,608,048)	(1,579,426)	(1,691,487)
Contribution from the Member	62,943	57,612	51,381	48,824	45,787	47,667	54,587	62,285
Net Change in Total OPEB Liability	9,287,296	2,819,890	(12,606,841)	(13,150,237)	34,386,677	(6,682,335)	(7,603,810)	(5,596,339)
Total OPEB Liability - Beginning	63,833,980	61,014,090	73,620,931	86,771,168	52,384,491	59,066,826	66,670,636	72,266,975
Total OPEB Liability - Ending	$ 73,121,276	$ 63,833,980	$ 61,014,090	$ 73,620,931	$ 86,771,168	$ 52,384,491	$ 59,066,826	$ 66,670,636
District's Proportionate Share of OPEB Liability	$0	$0	$0	$0	$0	$0	$0	$0
State's Proportionate Share of OPEB Liability	73,121,276	63,833,980	61,014,090	73,620,931	86,771,168	52,384,491	59,066,826	66,670,636
Total OPEB Liability - Ending	$ 73,121,276	$ 63,833,980	$ 61,014,090	$ 73,620,931	$ 86,771,168	$ 52,384,491	$ 59,066,826	$ 66,670,636
District Covered Payroll	$ 19,064,988	$ 18,602,777	$ 18,495,142	$ 18,495,142	$ 18,017,301	$ 16,165,612	$ 16,045,587	$ 15,566,635
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

SADDLE BROOK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Changes in Benefit Terms:	None.
Changes of Assumptions	Assumptions used in calculating the OPEB liability are presented in Note 4E.

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

SADDLE BROOK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Title I	Title II A	Tile III	Tile III Immigrant	Title IV	IDEA Preschool	IDEA Basic	COPS	Teacher Climate	Totals (Page 2)	Total
REVENUES											
Intergovernmental											
Local										$ 505,608	$ 505,608
Federal	$ 221,577	$ 32,440	$ 11,051	$ 726	$ 11,330	$ 17,630	$ 453,005	$ 217,255	$ 124,924	-	1,089,938
Total Revenues	$ 221,577	$ 32,440	$ 11,051	$ 726	$ 11,330	$ 17,630	$ 453,005	$ 217,255	$ 124,924	$ 505,608	$ 1,595,546
EXPENDITURES											
Instruction											
Purchased Prof. and Technical Services	$ 16,475				$ 1,505						$ 17,980
Tuition						$ 17,630	$ 453,005				470,635
General Supplies	143,876		$ 7,798	$ 726	4,825					$ 4,699	161,924
Other Purchased Services										365	365
Student Activities/Athletics	-	-	-	-	-	-	-	-	-	414,211	414,211
Total Instruction	160,351	-	7,798	726	6,330	17,630	453,005	-	-	419,275	1,065,115
Support Services											
Other Salaries									$ 36,739	40,742	77,481
Personal Services Employee-Benefits									1,760	-	1,760
Purchased Prof. Technical Services		$ 32,440			5,000			$ 1,900	$ 2,311	-	41,651
Purchased Property Services								26,272		-	26,272
Other Purchased Services	12,080		3,020							-	15,100
Supplies and Materials	44,968	-	233	-	-	-	-	-	84,114	2,976	132,291
Total Support Services	57,048	32,440	3,253	-	5,000	-	-	28,172	124,924	43,718	294,555
Equipment											
Non-Instructional Equipment	4,178	-	-	-	-	-	-	189,083	-	-	193,261
Total Equipment	4,178	-	-	-	-	-	-	189,083	-	-	193,261
Total Expenditures	221,577	32,440	11,051	726	11,330	17,630	453,005	217,255	124,924	462,993	1,552,931
Change in Fund Balance	-	-	-	-	-	-	-	-	-	42,615	42,615
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-	240,747	240,747
Fund Balance, End of Year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 283,362	$ 283,362

SADDLE BROOK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Local Programs	Student Activities/ Athletics	Scholarship	Totals (Page 2)
REVENUES				
Intergovernmental				
Local	$ 48,782	$ 456,811	$ 15	$ 505,608
State				-
Federal	-	-	-	-
Total Revenues	$ 48,782	$ 456,811	$ 15	$ 505,608
EXPENDITURES				
Instruction				
General Supplies	$ 4,699			$ 4,699
Other Purchased Services	365			365
Student Activities/Athletics	-	$ 414,211	-	414,211
Total Instruction	5,064	414,211	-	419,275
Support Services				
Other Salaries	40,742			40,742
Personal Services Employee-Benefits				-
Purchased Prof. Technical Services				-
Purchased Property Services				-
Other Purchased Services				-
Supplies and Materials	2,976			2,976
Other Objects	-			-
Scholarship Awards	-	-	-	-
Total Support Services	43,718	-	-	43,718
Equipment				
Non Instructional Equipment	-	-	-	-
Total Equipment	-	-	-	-
Total Expenditures	48,782	414,211	-	462,993
Change in Fund Balance	-	42,600	15	42,615
Fund Balance, Beginning of Year	-	237,896	2,851	240,747
Fund Balance, End of Year	$ -	$ 280,496	$ 2,866	$ 283,362

EXHIBIT E-2

SADDLE BROOK BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOT APPLICABLE

EXHIBIT E-3

SPECIAL REVENUE FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Balance, July 1, 2024	Cash Receipts	Cash Disbursements	Balance, June 30, 2025
Elementary Schools	$ 23,350	$ 105,877	$ 81,825	$ 47,402
Middle/High School	214,437	272,997	255,119	232,315
Athletics	109	77,937	77,267	779
Total All Schools	$ 237,896	$ 456,811	$ 414,211	$ 280,496

CAPITAL PROJECTS FUND

EXHIBIT F-1

SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Year	Issue/Project Title	Appropriation	Expenditures Prior Year	Expenditures Current Year	Cancelled	Balance, June 30, 2025
2017/18	Energy Savings Incentive Program	$ 4,773,985	$ 4,732,181		$ 41,804	
2021-22	HVAC and Boiler Improvements at Elementary Schools & Washington Playground Improvements	1,042,449	996,031	$ 46,418		
2022-23	Various Facility Improvements - 2023 Referendum	14,441,787	2,362,150	8,563,267	-	$ 3,516,370
2023-24	HVAC and Boiler Improvements	4,133,500	-	508,221	-	3,625,279
		$ 24,391,721	$ 8,090,362	$ 9,117,906	$ 41,804	$ 7,141,649

Reconciliation to GAAP Basis

Project Balances	$ 7,141,649
Less:	
Unfunded Amount not Realized on SDA Grant	(11)
Debt Authorized, Not Issued	(1,180)
Unearned Revenue - ROD Grant	(1,454,992)
Fund Balance (GAAP)	$ 5,685,466

Recapitulation of Fund Balance

Year End for Encumbrances	$ 3,831,584
Available for Capital Projects	1,853,882
Total Fund Balance - Restricted for Capital Projects	$ 5,685,466

EXHIBIT F-2

SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenues and Other Financing Sources		
Interest Earned on Investments	$	607,269
Total Revenues and Other Financing Sources		607,269
Expenditures and Other Financing Uses		
Architectural/Engineering Services		382,852
Other Purchased Professional/Technical Svs		23,132
Construction Services		8,617,320
General Supplies		48,184
Equipment		46,418
Transfer to General Fund		649,073
Total Expenditures and Other Financing Uses		9,766,979
Change in Fund Balance		(9,159,710)
Fund Balance- Beginning of Year - Budgetary		16,300,168
Fund Balance- Ending of Year - Budgetary	$	7,140,458

Reconciliation to GAAP Fund Balance

Fund Balance, End of Year - Budgetary Basis	$	7,140,458
Less: Unearned Revenues - ROD Grant		(1,454,992)
Fund Balance, End of Year - GAAP	$	5,685,466

Recapitulation of Fund Balance

Year End Encumbrances	$	3,831,584
Available for Capital Projects		1,853,882
Total Fund Balances Restricted for Capital Projects	$	5,685,466

SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-BUDGETARY BASIS
ENERGY SAVINGS INCENTIVE PROGRAM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Interest Earned on Investments	$ 30,804		$ 30,804	$ 30,804
Lease Proceeds	4,743,181		4,743,181	4,743,181
Total Revenues	4,773,985	-	4,773,985	4,773,985
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	47,500		47,500	47,500
Construction Services	4,684,681		4,684,681	4,726,485
Transfer Out		$ 41,804	41,804	-
Total Expenditures	4,732,181	41,804	4,773,985	4,773,985
Excess (deficiency) of revenues over (under) expenditures	$ 41,804	$ (41,804)	$ -	$ -

Additional project information:

Project Number	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	$ -
Bonds Issued	$ -
Original Authorized Cost	$ 4,743,181
Additional Authorized Cost	$ 30,804
Revised Authorized Cost	$ 4,773,985
Percentage Increase over Original Authorized Cost	1%
Percentage completion	100%
Original target completion date	6/30/2019
Revised target completion date	6/30/2019

EXHIBIT F-2B

SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-BUDGETARY BASIS
HVAC AND BOILER IMPROVEMENTS AT ELEMENTARY SCHOOLS &
WASHINGTON PLAYGROUND IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Capital Financing Agreement	$ 700,000		$ 700,000	$ 700,000
Transfer from Other Funds	342,449	-	342,449	342,449
Total Revenues	1,042,449	-	1,042,449	1,042,449
Expenditures and Other Financing Uses				
Legal Services	9,106	-	9,106	10,000
Architectural/Engineering Services	60,884		60,884	44,338
Other Purchased Professional/Technical Svs	3,000	-	3,000	3,000
Construction Services	633,400		633,400	885,111
Equipment	289,641	$ 46,418	336,059	100,000
Total Expenditures	996,031	46,418	1,042,449	1,042,449
Excess (deficiency) of revenues over (under) expenditures	$ 46,418	$ (46,418)	$ -	$ -

Additional project information:	
Project Number	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	$ -
Bonds Issued	$ -
Original Authorized Cost	$ 1,042,449
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 1,042,449
Percentage Increase over Original Authorized Cost	0%
Percentage completion	100%
Original target completion date	6/30/2022
Revised target completion date	6/30/2023

SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
VARIOUS FACILITY IMPROVEMENTS - 2023 REFERENDUM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Bond Sale Proceeds	$ 14,441,000	-	$ 14,441,000	$ 14,441,787
Total Revenues	14,441,000	-	14,441,000	14,441,787
Expenditures and Other Financing Uses				
Legal Services	41,721	$ 4,751	46,472	80,000
Architectural/Engineering Services	238,607	310,515	549,122	800,000
Other Purchased Professional/Technical Svs	262,008	18,381	280,389	300,000
Construction Services	1,819,814	8,181,436	10,001,250	13,261,787
General Supplies		48,184	48,184	-
Equipment	-	-	-	-
Total Expenditures	2,362,150	8,563,267	10,925,417	14,441,787
Excess (deficiency) of revenues over (under) expenditures	$ 12,078,850	$ (8,563,267)	$ 3,515,583	$ -
Additional project information:		Plus: Authorized Debt		
Project Number	Not Applicable	Not Issued	787	
Grant Date	Not Applicable		$ 3,516,370	
Bond Authorization Date	5/16/2023			
Bonds Authorized	$ 14,441,787			
Bonds Issued	$ 14,441,000			
Original Authorized Cost	$ 14,441,787			
Additional Authorized Cost	$ -			
Revised Authorized Cost	$ 14,441,787			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	76%			
Original target completion date	6/30/2026			
Revised target completion date	6/30/2026			

EXHIBIT F-2D

SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
VARIOUS FACILITY IMPROVEMENTS - 2024 HVAC AND BOILER IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
SDA ROD Grant Proceeds	$ 1,653,400		$ 1,653,400	$ 1,653,400
Transfer from General Fund	2,480,100	-	2,480,100	2,480,100
Total Revenues	4,133,500	-	4,133,500	4,133,500
Expenditures and Other Financing Uses				
Architectural/Engineering Services		$ 72,337	72,337	1,000,000
Construction Services		435,884	435,884	3,133,500
Equipment			-	-
Total Expenditures	-	508,221	508,221	4,133,500
Excess (deficiency) of revenues over (under) expenditures	$ 4,133,500	$ (508,221)	$ 3,625,279	$ -

Additional project information:	
Project Number	Not Applicable
Grant Date	2/6/2024
Bond Authorization Date	-
Bonds Authorized	$ -
Bonds Issued	$ -
Original Authorized Cost	$ 4,133,500
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 4,133,500
Percentage Increase over Original Authorized Cost	0%
Percentage completion	12%
Original target completion date	6/30/2026
Revised target completion date	6/30/2026

PROPRIETARY FUNDS

EXHIBIT G-1

SADDLE BROOK BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

SCHEDULE G-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

EXHIBIT G-4

SADDLE BROOK BOARD OF EDUCATION
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT G-5

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT G-6

COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

THIS STATEMENT IS NOT APPLICABLE

LONG-TERM DEBT

FIDUCIARY FUNDS

NOT APPLICABLE

SADDLE BROOK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance, July 1, 2024	Decreased	Balance, June 30, 2025
Pension Refunding Bonds	8/23/2012	$ 2,955,000	8/15/2025	$ 210,000	5.00-5.75%			
			8/15/2026	220,000				
			8/15/2027	230,000				
			8/15/2028	240,000		$ 1,100,000	$ 200,000	$ 900,000
School Improvements	6/23/2015	4,609,000	2/15/2026	350,000	2.00-3.00%			
			2/15/2027	350,000				
			2/15/2028	350,000				
			2/15/2029	350,000				
			2/15/2030	349,000		2,094,000	345,000	1,749,000
School Improvements	5/16/2023	14,441,000	5/15/2026	500,000	3.25-4.00%			
			5/15/2027	525,000				
			5/15/2028	550,000				
			5/15/2029	575,000				
			5/15/2030	600,000				
			5/15/2031	650,000				
			5/15/2032	685,000				
			5/15/2033	700,000				
			5/15/2034	750,000				
			5/15/2035	775,000				
			5/15/2036	800,000				
			5/15/2037	850,000				
			5/15/2038	875,000				
			5/15/2039	925,000				
			5/15/2040	965,000				
			5/15/2041	1,000,000				
			5/15/2042	1,000,000				
			5/15/2043	1,000,000		14,441,000	716,000	13,725,000
						$ 17,635,000	$ 1,261,000	$ 16,374,000

SADDLE BROOK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF CAPITAL & OTHER FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Issue	Amount of Original Issue	Interest Rate	Balance, July 1, 2024	Issued	Retired	Balance, June 30, 2025
Capital Financing Agreements						
2017/18 Energy Savings Incentive Program	$ 4,743,181	3.14%	$ 3,650,000		$ 230,000	$ 3,420,000
2021/22 Acquisition and Installation of Various Equ	700,000	2.66%	424,078		137,644	286,434
2021/22 Acquisition of Copiers	250,241	3.38%	167,431		49,570	117,861
2021/22 Acquisition of Various Vehicles	260,000	2.604%	105,284		51,965	53,319
2023/24 Acquisition of Passenger Bus	97,671	6.581%	75,571	-	17,127	58,444
Total Capital Financing Agreements			4,422,364	-	486,306	3,936,058
Other Financing Agreements						
2021/22 Technology Equipment	222,276	3.072%	90,424		44,528	45,896
2022/23 Technology Equipment	190,145	4.286%	95,328		46,664	48,664
2023/24 Interactive Displays	91,960	6.547%	66,739		20,851	45,888
2023/24 Technology Equipment	180,000	6.560%	130,622		40,803	89,819
2024/25 Security Camera Upgrades	545,538	5.690%		$ 545,538	101,865	443,673
2024/25 Technology Equipment	200,000	6.148%	-	200,000	54,559	145,441
Total Other Financing Agreements			383,113	745,538	309,270	819,381
Total Financing Agreements			$ 4,805,477	$ 745,538	$ 795,576	$ 4,755,439

SADDLE BROOK BOARD OF EDUCATION
LONG TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget with Actual
REVENUES					
Local Sources					
Local Tax Levy	$ 1,244,262		$ 1,244,262	$ 1,244,262	
State Sources					
Debt Service Aid	631,660	-	631,660	631,660	-
Total Revenues	1,875,922	-	1,875,922	1,875,922	-
EXPENDITURES					
Debt Service					
Interest	614,922		614,922	614,921	$ 1
Principal	1,261,000	-	1,261,000	1,261,000	-
Total Expenditures	1,875,922	-	1,875,922	1,875,921	1
Change in Fund Balance	-	-	-	1	1
Other Financing Sources/(Uses)					
Transfer-In	-	-	-	-	-
Excess (Deficiency) of Revenues Over/(Under) Expenditures/(Uses)	-	-	-	1	1
Fund Balances, Beginning of Year	589,978	-	589,978	589,978	-
Fund Balances, End of Year	$ 589,978	$ -	$ 589,978	$ 589,979	$ 1

Analysis of Fund Balance

Available for Future Debt Service Expenditures	$ 589,979
	$ 589,979

STATISTICAL SECTION

This part of the Saddle Brook Board of Education's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Exhibits
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	J-1 to J-5
Revenue Capacity	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	J-14 and J-15
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

SADDLE BROOK BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net Investment in Capital Assets	$ 13,325,442	$ 14,372,017	$ 15,212,448	$ 16,326,024	$ 17,295,781	$ 15,662,961	$ 17,038,495	$ 19,009,654	$ 19,019,883	$ 20,096,570
Restricted	1,212,600	608,773	560,200	266,349	778,617	3,058,925	6,358,742	4,590,021	5,372,424	6,087,020
Unrestricted	(11,252,684)	(11,441,911)	(12,172,449)	(11,933,506)	(10,753,696)	(8,114,237)	(8,690,691)	(7,413,215)	(8,096,715)	(8,220,160)
Total Governmental Activities Net Position	$ 3,285,358	$ 3,538,879	$ 3,600,199	$ 4,658,867	$ 7,320,702	$ 10,607,649	$ 14,706,546	$ 16,186,460	$ 16,295,592	$ 17,963,430
Business-Type Activities										
Net Investment in Capital Assets	$ 71,968	$ 62,177	$ 84,901	$ 77,883	$ 59,515	$ 45,205	$ 45,457	$ 213,256	$ 184,357	$ 197,163
Unrestricted	254,008	369,976	425,297	432,110	399,957	441,868	351,877	227,214	239,276	142,331
Total Business-Type Activities Net Position	$ 325,976	$ 432,153	$ 510,198	$ 509,993	$ 459,472	$ 487,073	$ 397,334	$ 440,470	$ 423,633	$ 339,494
District-Wide										
Net Investment in Capital Assets	$ 13,397,410	$ 14,434,194	$ 15,297,349	$ 16,403,907	$ 17,355,296	$ 15,708,166	$ 17,083,952	$ 19,222,910	$ 19,204,240	$ 20,293,733
Restricted	1,212,600	608,773	560,200	266,349	778,617	3,058,925	6,358,742	4,590,021	5,372,424	6,087,020
Unrestricted	(10,998,676)	(11,071,935)	(11,747,152)	(11,501,396)	(10,353,739)	(7,672,369)	(8,338,814)	(7,186,001)	(7,857,439)	(8,077,829)
Total District Net Position	$ 3,611,334	$ 3,971,032	$ 4,110,397	$ 5,168,860	$ 7,780,174	$ 11,094,722	$ 15,103,880	$ 16,626,930	$ 16,719,225	$ 18,302,924

Source: District Financial Records

Note 1 - Net Position at June 30, 2020 & June 30, 2021 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities and for a correction of an error".
Note 2 - Net Position at June 30, 2024 is restated to reflect the implementation of GASB No. 101, "Compensated Absences"

SADDLE BROOK BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities										
Instruction										
Regular	$ 14,493,146	$ 15,212,598	$ 16,139,527	$ 14,969,825	$ 13,579,814	$ 15,721,930	$ 14,551,448	$ 13,465,099	$ 14,395,962	$ 14,022,572
Special Education	7,508,957	8,025,261	8,506,016	9,130,491	10,287,230	9,955,484	9,130,014	9,105,299	9,763,070	10,701,731
Other Instruction	915,587	1,191,767	1,555,684	1,259,840	925,579	1,336,941	962,659	1,282,215	1,521,681	1,457,130
School Sponsored Activities And Athletics	905,379	1,067,496	1,105,156	905,800	965,905	1,238,234	1,189,477	1,231,920	1,079,286	1,152,393
Support Services:										
Student & Instruction Related Services	7,312,644	8,171,404	8,532,183	8,192,138	6,704,800	7,055,026	7,448,245	7,356,240	7,761,520	7,497,046
Educational Media/School Library	154,639	364,953	260,098	409,473	368,060	463,264	341,869	799,849	480,187	496,781
General Administration	828,035	821,461	914,590	965,972	974,810	998,376	933,206	945,693	993,237	850,513
School Administrative Services	2,169,252	2,319,019	2,495,385	2,318,553	2,553,369	2,820,239	2,466,146	2,639,635	2,510,188	2,622,730
Central Services	755,517	765,904	835,222	862,647	927,934	1,104,472	1,170,306	740,498	916,890	924,977
Plant Operations And Maintenance	3,174,210	3,409,846	3,466,751	2,855,380	2,954,417	3,031,711	3,850,756	4,092,835	4,806,119	5,561,384
Pupil Transportation	1,296,918	1,380,806	1,599,634	1,734,536	1,539,611	1,380,283	1,650,559	1,926,010	1,894,837	1,875,463
Interest On Long-Term Debt	562,191	638,892	592,762	613,821	538,144	483,887	381,348	389,567	790,818	776,553
Total Governmental Activities Expenses	40,076,475	43,369,407	46,003,008	44,218,476	42,319,673	45,589,847	44,076,033	43,974,860	46,913,795	47,939,273
Business-Type Activities:										
Food Service	554,745	561,537	567,765	632,843	538,480	517,471	966,212	953,325	931,802	944,117
Community School	372,345	352,638	414,642	519,756	137,472	26,697	-	-	-	-
Total Business-Type Activities Expense	927,090	914,175	982,407	1,152,599	675,952	544,168	966,212	953,325	931,802	944,117
Total District Expenses	$ 41,003,565	$ 44,283,582	$ 46,985,415	$ 45,371,075	$ 42,995,625	$ 46,134,015	$ 45,042,245	$ 44,928,185	$ 47,845,597	$ 48,883,390
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Instruction	$ 66,064	$ 23,047	$ 82,927	$ 120,269	$ 222,929	$ 79,875	$ 161,095	$ 169,709	$ 317,976	$ 413,623
Special Education	48,763	186,962	136,655	30,000						
School Sponsored Activities And Athletics							333,927	357,971	359,335	456,826
Plant Operations And Maintenance	174,714	99,560	100,860	37,500		246,006				
Operating Grants And Contributions	10,056,924	11,557,269	12,961,957	10,678,829	9,654,843	13,307,845	11,160,701	8,290,057	8,913,234	7,829,161
Capital Grants And Contributions	517,061	-	-	50,435	86,544	-	-	-	145,356	391,669
Total Governmental Activities Program Revenues	10,863,526	11,866,838	13,282,399	10,917,033	9,964,316	13,633,726	11,655,723	8,817,737	9,735,901	9,091,279
Business-Type Activities:										
Charges For Services										
Food Service	$ 401,699	$ 394,300	$ 389,037	$ 450,618	$ 317,238	$ 7,143	$ 164,985	$ 539,364	$ 544,373	$ 494,226
Community Programs	386,879	457,549	480,207	500,105	129,289					
Operating Grants And Contributions	158,822	168,082	190,917	201,356	178,781	564,494	1,053,920	457,010	368,265	355,866
Total Business Type Activities Program Revenues	947,400	1,019,931	1,060,161	1,152,079	625,308	571,637	1,218,905	996,374	912,638	850,092
Total District Program Revenues	$ 11,810,926	$ 12,886,769	$ 14,342,560	$ 12,069,112	$ 10,589,624	$ 14,205,363	$ 12,874,628	$ 9,814,111	$ 10,648,539	$ 9,941,371

SADDLE BROOK BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense)/Revenue										
Governmental Activities	$ (29,212,949)	$ (31,502,569)	$ (32,720,609)	$ (33,301,443)	$ (32,355,357)	$ (31,956,121)	$ (32,420,310)	$ (35,157,123)	$ (37,177,894)	$ (38,847,994)
Business-Type Activities	20,310	105,756	77,754	(520)	(50,644)	27,469	252,693	43,049	(19,164)	(94,025)
Total District-Wide Net Expense	$ (29,192,639)	$ (31,396,813)	$ (32,642,855)	$ (33,301,963)	$ (32,406,001)	$ (31,928,652)	$ (32,167,617)	$ (35,114,074)	$ (37,197,058)	$ (38,942,019)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	$ 28,731,061	$ 29,445,682	$ 30,456,166	$ 32,248,065	$ 32,503,109	$ 33,152,151	$ 33,815,194	$ 34,479,432	$ 35,861,751	$ 37,563,142
Taxes Levied For Debt Service	1,705,944	1,965,189	1,990,669	1,904,563	1,949,921	1,913,116	1,866,420	1,813,027	1,455,995	1,244,262
State Aid Restricted for Debt Service		113,132	132,623	132,197	131,742	131,256	130,738	130,194	127,049	631,660
Unrestricted Grants And Contributions	51,727	72,630	70,104	21,034	18,060	17,547	17,616	20,684	17,788	172,374
Miscellaneous Income	332,368	159,457	132,367	54,252	156,711	185,730	346,790	190,661	967,798	912,432
Transfers	240,299	-	-	-	-	-	342,449	3,039	-	(8,038)
Total Governmental Activities	31,061,399	31,756,090	32,781,929	34,360,111	34,759,543	35,399,800	36,519,207	36,637,037	38,430,381	40,515,832
Business-Type Activities:										
Investment Earnings	693	421	291	315	123	132	17	87	2,327	1,848
Transfers	(240,299)	-	-	-	-	-	(342,449)	(8,038)	-	8,038
Total Business-Type Activities	(239,606)	421	291	315	123	132	(342,432)	(7,951)	2,327	9,886
Total District-Wide	$ 30,821,793	$ 31,756,511	$ 32,782,220	$ 34,360,426	$ 34,759,666	$ 35,399,932	$ 36,176,775	$ 36,629,086	$ 38,432,708	$ 40,525,718
Change in Net Position										
Governmental Activities	$ 1,848,450	$ 253,521	$ 61,320	$ 1,058,668	$ 2,404,186	$ 3,443,679	$ 4,098,897	$ 1,479,914	$ 1,252,487	$ 1,667,838
Business-Type Activities	(219,296)	106,177	78,045	(205)	(50,521)	27,601	(89,739)	35,098	(16,837)	(84,139)
Total District	$ 1,629,154	$ 359,698	$ 139,365	$ 1,058,463	$ 2,353,665	$ 3,471,280	$ 4,009,158	$ 1,515,012	$ 1,235,650	$ 1,583,699

Source: District Financial Records

EXHIBIT J-3

SADDLE BROOK BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable										
Restricted	$1,627,653	$ 604,496	$ 583,606	$ 175,268	$ 566,388	$2,674,542	$ 4,895,759	$ 4,266,591	$ 2,061,599	$ 3,043,403
Assigned	257,231	513,084	59,920	327,103	116,232	649,307	543,847	730,262	376,282	108,166
Unassigned	320,382	301,696	8,364	(427,865)	306,398	176,847	233,523	264,721	294,491	251,099
Total General Fund	$2,205,266	$1,419,276	$ 651,890	$ 74,506	$ 989,018	$3,500,696	$ 5,673,129	$ 5,261,574	$ 2,732,372	$ 3,402,668
All Other Governmental Funds										
Restricted	$2,044,951	$ 674,650	$ 3,044,768	$ 365,194	$ 487,121	$ 384,383	$ 1,462,983	$ 14,509,614	$ 15,477,493	$ 6,558,807
Total All Other Governmental Funds	$2,044,951	$ 674,650	$ 3,044,768	$ 365,194	$ 487,121	$ 384,383	$ 1,462,983	$ 14,509,614	$ 15,477,493	$ 6,558,807

Source: District Financial Records

Note 1 - Fund Balances at June 30, 2020 have been restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".

EXHIBIT J-4

SADDLE BROOK BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax Levy	$ 30,437,005	$ 31,410,871	$ 32,446,835	$ 34,152,628	$ 34,453,030	$ 35,065,267	$ 35,681,614	$ 36,292,459	$ 37,317,746	$ 38,807,404
Tuition Charges							161,095	169,709	317,976	413,623
Miscellaneous	662,118	500,473	459,387	479,974	503,366	536,003	699,969	553,307	1,330,825	1,418,040
State Sources	5,109,811	5,076,643	5,617,672	6,475,589	6,974,343	8,004,904	9,975,101	10,440,250	11,859,163	13,137,901
Federal Sources	659,198	651,305	731,290	703,052	744,360	887,738	2,229,204	1,309,288	1,767,186	1,106,845
Total Revenue	36,868,132	37,639,292	39,255,184	41,811,243	42,675,099	44,493,912	48,746,983	48,765,013	52,592,896	54,883,813
Expenditures										
Instruction										
Regular Instruction	11,719,848	11,868,889	12,684,761	13,148,737	12,333,776	13,582,540	14,857,782	14,595,517	15,789,906	15,668,115
Special Education Instruction	6,565,040	6,833,081	7,351,453	8,428,256	9,736,994	8,929,880	9,275,303	9,641,422	10,471,473	11,587,707
Community Services										
Other Instruction	762,347	934,784	1,237,698	1,112,622	856,572	1,177,311	983,470	1,392,162	1,667,062	1,624,639
School Sponsored Activities and Athletics	754,665	863,254	893,454	799,006	889,307	1,109,750	1,207,031	1,298,642	1,156,475	1,246,862
Support Services:										
Student and Inst. Related Services	5,947,295	6,437,937	6,803,132	7,246,521	6,179,682	6,070,054	7,583,243	7,895,702	8,395,251	8,249,203
Educational Media/School Library	130,420	288,648	202,276	356,193	334,067	389,596	349,644	829,775	531,453	559,211
General Administration	726,370	716,162	791,601	883,601	918,869	894,304	947,048	995,593	1,058,854	923,900
School Administrative Services	1,744,073	1,782,540	1,924,973	2,015,198	2,316,673	2,375,359	2,524,805	2,882,174	2,796,948	2,971,787
Central Services	731,149	734,759	774,007	815,906	904,383	996,400	1,075,329	716,886	892,947	868,976
Plant Operations And Maintenance	3,079,838	3,286,589	3,177,522	2,689,084	2,886,043	2,768,408	3,616,870	4,037,353	4,507,280	5,397,488
Pupil Transportation	1,279,453	1,361,936	1,546,724	1,700,541	1,527,009	1,336,139	1,603,073	1,915,310	1,884,240	1,854,082
Capital Outlay	2,060,468	2,425,781	2,996,119	3,256,022	529,119	112,767	655,245	1,868,790	2,946,043	10,087,097
Debt Service:										
Principal	1,518,985	1,738,870	1,900,292	2,095,778	2,079,320	2,054,649	2,195,168	2,347,262	1,620,934	2,056,576
Interest and Other Charges	528,883	664,859	536,569	643,795	566,770	499,812	388,637	345,490	804,984	774,060
Total Expenditures	37,548,834	39,938,089	42,820,581	45,191,260	42,058,584	42,296,969	47,262,648	50,762,078	54,523,850	63,869,703
Excess (Deficiency) of Revenues Over (Under) Expenditures	(680,702)	(2,298,797)	(3,565,397)	(3,380,017)	616,515	2,196,943	1,484,335	(1,997,065)	(1,930,954)	(8,985,890)
Other Financing Sources (Uses)										
Cancellation of Prior Year Accounts Payable			11,506							
Financing Agreements (Non-Budget)			413,442	141,657	162,275		1,424,249	190,145	369,631	745,538
Cancellation of Prior SDA Revenue				(18,598)						
Proceeds From Borrowing			4,743,181					14,441,000	-	-
Lease Purchase Agreement	140,555	142,506				211,997	-	-	-	-
Transfers In	304,968	861,201	130,285	300,614	345	142	504,586	3,039	3,401,454	649,073
Transfers Out	(64,669)	(861,201)	(130,285)	(300,614)	(345)	(142)	(162,137)	(3,039)	(3,401,454)	(657,111)
Total Other Financing Sources (Uses)	380,854	142,506	5,168,129	123,059	162,275	211,997	1,766,698	14,631,145	369,631	737,500
Net Change in Fund Balances	$ (299,848)	$ (2,156,291)	$ 1,602,732	$ (3,256,958)	$ 778,790	$ 2,408,940	$ 3,251,033	$ 12,634,080	$ (1,561,323)	$ (8,248,390)
Debt Service as a Percentage of Noncapital Expenditures	5.77%	6.41%	6.12%	6.53%	6.37%	6.06%	5.54%	5.51%	4.70%	5.26%

* Noncapital expenditures are total expenditures less capital outlay.
Source: District Financial Records

SADDLE BROOK BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Tuition	Interest on Investments	Other Programs/ Rent	Insurance/ Other Refunds	E-Rate	Gate Receipts	Miscellaneous	Total
2016	$ 114,827	$ 14,570	$ 209,714	$ 171,364	$ 23,184	$ 5,318	$ 62,724	$ 601,701
2017	210,009	20,451	99,710	86,332	19,053	4,882	22,820	463,257
2018	219,582	12,868	102,748	30,643	24,879	4,856	24,238	419,814
2019	150,269	12,584	37,500	15,074	-	4,637	182,529	402,593
2020	222,929	8,805	27,907	72,088	600	5,381	42,519	380,229
2021	76,922	4,730		105,677			78,078	265,407
2022	161,095	7,247	41,940	250,534	600	4,726	41,599	507,741
2023	169,709	4,750	23,622	42,870	600	5,184	113,635	360,370
2024	317,976	181,199	2,928	147,930	600	6,460	42,259	699,352
2025	413,623	201,887	48,686	37,636	350	7,807	8,797	718,786

Source: District financial records

SADDLE BROOK BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate [a]
2016	$ 13,162,800	$ 1,223,588,478			$ 325,081,430	$ 255,316,500	$ 74,827,500	$ 1,891,976,708		$ 1,891,976,708	$ 2,383,260,542	1.635
2017 (1)	12,074,400	1,363,043,700			383,379,800	293,200,400	105,751,000	2,157,449,300		2,157,449,300	2,246,927,349	1.480
2018	16,983,100	1,392,621,000			424,447,100	312,272,800	110,151,000	2,256,475,000		2,256,475,000	2,340,819,556	1.466
2019	15,969,100	1,419,509,900			439,282,700	313,346,000	114,155,600	2,302,263,300		2,302,263,300	2,374,347,788	1.500
2020	16,490,700	1,460,120,100			440,054,700	313,636,000	130,621,000	2,360,922,500		2,360,922,500	2,461,909,765	1.472
2021	15,622,800	1,513,675,100			403,610,700	329,655,200	132,350,200	2,394,914,000		2,394,914,000	2,561,036,258	1.472
2022	15,926,700	1,685,547,300			413,427,200	394,680,900	148,611,200	2,658,193,300		2,658,193,300	2,804,692,808	1.354
2023	13,076,700	1,797,436,300			418,635,100	433,824,600	164,914,600	2,827,887,300		2,827,887,300	2,936,925,524	1.301
2024	12,782,700	1,912,575,800			427,236,000	464,035,400	168,939,300	2,985,569,200		2,985,569,200	3,052,012,667	1.275
2025	11,209,200	1,967,674,200			425,940,200	498,488,300	151,070,500	3,054,382,400		3,054,382,400	3,334,540,309	1.289

Source: County Abstract of Ratables

a Tax rates are per $100

(1) Town Revaluation

SADDLE BROOK BOARD OF EDUCATION
PROPERTY TAX RATES
PER $100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)

Calendar Year		Total	Local School District	Municipality	County (1)
2016		$ 2.865	$ 1.635	$ 0.926	$ 0.304
2017	(2)	2.578	1.480	0.837	0.261
2018		2.537	1.466	0.827	0.244
2019		2.593	1.500	0.843	0.250
2020		2.529	1.472	0.811	0.246
2021		2.604	1.478	0.857	0.269
2022		2.402	1.354	0.793	0.255
2023		2.336	1.301	0.786	0.249
2024		2.306	1.275	0.792	0.239
2025		2.373	1.289	0.833	0.251

(1) County tax rate includes open space tax.
(2) Town revaluation

Source: Tax Duplicate, Township of Saddle Brook

SADDLE BROOK BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

	2025		2016	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Park 80 West	$ 90,500,000	3.03%		
Tri-State Commercial Realty, LLC	53,078,100	1.78%		
Saddle Brook SG LLC	51,471,900	1.72%		
140 Mayhill St. Co	39,079,100	1.31%		
A.O. Associates	27,982,100	0.94%		
Arrow Fasteners	27,690,700	0.93%		
CPT NJ 301 Mayhill LLC	25,851,900	0.87%		
IEC North Midland	23,812,800	0.80%		
Peykar Brothers Realty	23,764,500	0.80%		
45 Mayhill LLC	22,221,200	0.74%		
L&L Park 80 LLC			$ 67,000,000	3.54%
A.O. Associates			34,000,000	1.80%
CP Saddle Brook, LLC			26,000,000	1.37%
Midland Holding Co			23,739,800	1.25%
Saddle Brook Green Owner, LLC			21,037,400	1.11%
Saddle Brook Mayhill Assoc. LLC			17,875,000	0.95%
Kessler Institute			15,202,300	0.80%
45 Mayhill LLC			13,230,000	0.70%
Bldg Saddle Brook LLC			12,549,000	0.66%
Arrow Fasteners			12,524,100	0.66%
	$ 385,452,300	12.91%	$ 243,157,600	12.84%

Source: Municipal Tax Assessor

SADDLE BROOK BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	$ 30,437,005	$ 30,437,005	100.00%	
2017	31,410,811	31,410,811	100.00%	
2018	32,446,835	32,446,835	100.00%	
2019	34,152,628	34,152,628	100.00%	
2020	34,453,030	34,453,030	100.00%	
2021	35,065,267	35,065,267	100.00%	
2022	35,681,614	35,681,614	100.00%	
2023	36,292,459	36,292,459	100.00%	
2024	37,317,746	37,317,746	100.00%	
2025	38,807,404	38,807,404	100.00%	

Source: District's records

EXHIBIT J-10

SADDLE BROOK BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			
	General Obligation Bonds	Loans	Financing Agreements	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Population	Per Capita
2016	$ 15,929,000		$ 358,932			$ 16,287,932	13,921	$ 1,170
2017	14,454,000		237,568			14,691,568	13,912	1,056
2018	12,789,000		5,158,899		$ 29,245	17,977,144	13,934	1,290
2019	11,094,000		4,899,778		19,982	16,013,760	13,883	1,153
2020	9,374,000		4,702,733		10,242	14,086,975	13,568	1,038
2021	7,634,000		4,544,816			12,178,816	13,591	896
2022	5,884,000		5,523,897			11,407,897	14,359	794
2023	18,570,000		5,121,780			23,691,780	14,340	1,652
2024	17,635,000		4,805,477			22,440,477	14,386	1,560
2025	16,374,000		4,755,439			21,129,439	14,516	1,456

Source: District financial records and NJ Dept. of Education

EXHIBIT J-11

SADDLE BROOK BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2016	$ 15,929,000		$ 15,929,000	0.84%	$ 1,144
2017	14,454,000		14,454,000	0.67%	1,039
2018	12,789,000	$ 79,734	12,709,263	0.56%	912
2019	11,094,000	536	11,093,464	0.48%	799
2020	9,374,000		9,374,000	0.40%	691
2021	7,634,000		7,634,000	0.32%	562
2022	5,884,000		5,884,000	0.22%	410
2023	18,570,000	1	18,569,999	0.66%	1,295
2024	17,635,000	589,978	17,045,022	0.57%	1,185
2025	16,374,000	900,000	15,474,000	0.52%	1,076

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

SADDLE BROOK BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING DEBT
FOR YEAR ENDED DECEMBER 31, 2024
(Unaudited)

	Total Debt
Municipal Debt: (1)	
Township of Saddle Brook School District	$ 17,436,180
Township of Saddle Brook	65,109,880
	$ 82,546,060
Overlapping debt Apportioned to the Municipality:	
Bergen County (3);(A):	
County of Bergen (A)	22,660,292
Passaic Valley Sewerage Commission (2)	4,260,210
Total Direct and Overlapping Debt	$ 109,466,562

(A) The debt for this entity was apportioned to the Township of Saddle Brook by dividing the Municipality's 2024 equalized value by the total 2024 equalized value for Bergen County.

Sources:

(1) Township of Saddle Brook Annual Debt Statement
(2) Passaic Valley Sewerage Commission - Based on Usage
(3) Bergen County Debt Statement 12/31/2024

SADDLE BROOK BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Calendar Year 2024

Equalized valuation basis		
2024	$	3,613,615,589
2023		3,083,846,565
2022		3,014,850,062
	$	9,712,312,216
Average equalized valuation of taxable property	$	3,237,437,405
Debt limit (4 % of average equalization value)		129,497,496 **a**
Total Net Debt Applicable to Limit		15,272,820
Legal debt margin	$	114,224,676

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	$ 91,343,919	$ 92,366,187	$ 94,549,128	$ 94,772,364	$ 97,875,732	$ 101,859,514	$ 108,608,327	$ 115,058,698	$ 120,290,917	$ 129,497,496
Total Net Debt Applicable to Limit	13,749,393	12,129,393	11,279,393	9,764,404	7,544,404	7,634,000	5,884,393	18,571,180	16,536,180	15,474,820
Legal Debt Margin	$ 77,594,526	$ 80,236,794	$ 83,269,735	$ 85,007,960	$ 90,331,328	$ 94,225,514	$ 102,723,934	$ 96,487,518	$ 103,754,737	$ 114,022,676
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.05%	13.13%	11.93%	10.30%	7.71%	7.49%	5.42%	16.14%	13.75%	11.95%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

SADDLE BROOK BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)

Year Ended December 31,	Unemployment Rate	Per Capita Income (1)	Population
2016	5.3%	$ 78,836	13,912
2017	4.9%	81,024	13,934
2018	4.9%	85,191	13,883
2019	4.1%	88,241	13,568
2020	3.3%	91,972	13,591
2021	12.3%	97,343	14,359
2022	7.6%	97,138	14,340
2023	4.2%	102,229	14,386
2024	4.1%	102,229 *	14,516
2025	N/A	102,229 *	14,516 *

Source: United States Bureau of Census
School District Records

* Estimate

(1) Represents the County of Bergen's per Capita Income

N/A - Not Available

EXHIBIT J-15

SADDLE BROOK BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

INFORMATION NOT AVAILABLE

EXHIBIT J-16

SADDLE BROOK BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	108	110	112	104	104	105	104	106	105	106
Special Education	47	48	49	47	47	47	46	47	47	48
Other Special Education	6	6	6	5	5	5	5	6	6	6
Support Services:										
General Administration	2	2	2	3	3	3	3	3	3	3
School Administrative Services	11	11	11	13	13	13	13	13	13	13
Central Services	6	6	6	4	4	4	4	4	4	4
Plant Operations And Maintenance	24	24	24	31	31	31	31	31	31	32
Pupil Transportation	3	3	3	3	3	3	3	3	3	3
Other Support Services	42	45	61	70	69	69	73	75	74	74
Total	249	255	274	280	279	280	282	288	286	289

Source: District Personnel Records

SADDLE BROOK BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Enrollment [a]	Operating Expenditures [b]	Cost Per Pupil [c]	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2016	1,753	$ 33,440,498	$ 19,076	13.15%	159	1:20	1:20	1:19	1,716	1,630	1.96%	94.99%
2017	1,723	35,108,579	20,376	6.82%	161	1:20	1:20	1:19	1,689	1,598	-1.57%	94.61%
2018	1,770	37,387,601	21,123	3.66%	162	1:20	1:20	1:19	1,724	1,616	2.07%	93.74%
2019	1,789	39,195,665	21,909	3.72%	156	1:20	1:20	1:19	1,761	1,661	2.15%	94.32%
2020	1,786	38,883,375	21,771	-0.63%	156	1:20	1:20	1:19	1,737	1,666	-1.36%	95.91%
2021	1,707	39,629,741	23,216	6.64%	157	1:20	1:20	1:19	1,662	1,605	-4.32%	96.57%
2022	1,720	44,023,598	25,595	10.25%	155	1:20	1:20	1:19	1,713	1,584	3.07%	92.47%
2023	1,810	46,200,536	25,525	-0.27%	159	1:20	1:20	1:19	1,786	1,672	4.26%	93.62%
2024	1,837	49,151,889	26,757	4.82%	159	1:20	1:20	1:19	1,820	1,717	1.90%	94.34%
2025	1,841	50,951,970	27,676	3.44%	160	1:20	1:20	1:19	1,828	1,735	0.44%	94.91%

Sources: District records

Note:
a Enrollment based on annual October district count. (includes sent to out of district schools)
b Operating expenditures equal total expenditures less debt service and capital outlay.
c Cost per pupil represents operating expenditures divided by enrollment.
d Average daily enrollment and attendance does not include students sent to out of district schools

EXHIBIT J-18

SADDLE BROOK BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District Building										
Elementary										
Helen I Smith										
Square Feet	48,345	48,345	48,345	48,345	48,345	48,345	48,345	48,345	48,345	48,345
Capacity (students)	316	316	316	316	316	316	316	316	316	316
Enrollment	295	305	309	313	296	294	300	331	346	340
Franklin										
Square Feet	41,855	41,855	41,855	41,855	41,855	41,855	41,855	41,855	41,855	41,855
Capacity (students)	293	293	293	293	293	293	293	293	293	293
Enrollment	298	304	314	319	310	270	293	308	319	329
Long Memorial										
Square Feet	33,247	33,247	33,247	33,247	33,247	33,247	33,247	33,247	33,247	33,247
Capacity (students)	278	278	278	278	278	278	278	278	278	278
Enrollment	278	270	272	270	278	285	291	297	312	301
Middle School/High School										
Square Feet	140,351	140,351	140,351	140,351	140,351	140,351	140,351	140,351	140,351	140,351
Capacity (students)	865	865	865	865	865	865	865	865	865	865
Enrollment	789	784	778	785	802	776	775	799	805	807
Other										
Washington										
Square Feet	22,333	22,333	22,333	22,333	22,333	22,333	22,333	22,333	22,333	22,333
Enrollment	70	55	59	54	60	42	63	70	62	62

Number of Schools at June 30, 2025
Elementary = 3
Jr/Senior High School = 1
Other = 1

Source: District Records

SADDLE BROOK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS ENDED JUNE 30,
(Unaudited)

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
School Facilities										
Washington School	$ 33,139	$ 48,642	$ 61,755	$ 30,792	$ 20,637	$ 39,672	$ 69,792	$ 145,417	$ 57,704	$ 61,872
Franklin School	82,168	43,679	52,551	26,240	39,143	38,165	67,140	139,891	151,100	162,014
Long Memorial School	81,199	47,347	42,905	21,071	74,442	17,758	31,240	65,091	102,791	110,216
Helen I. Smith School	60,281	50,811	42,586	77,663	33,297	26,791	47,131	98,201	147,491	158,144
High School/Middle School	138,063	210,069	165,851	87,316	144,368	129,109	227,131	473,245	294,445	315,713
Grand Total	$ 394,850	$ 400,548	$ 365,648	$ 243,082	$ 311,887	$ 251,495	$ 442,434	$ 921,845	$ 753,531	$ 807,959

Source: School District's Financial Statements

EXHIBIT J-20

SADDLE BROOK BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2025
(Unaudited)

	Coverage		Deductible
School Package Policy - National Union Fire Insurance Co.			
Property -Blanket Building and Contents	$ 135,930,271	(1)	$ 5,000
Electronic Data Processing equipment	5,000,000		5,000
Valuable Papers	5,000,000		1,000
General Liability - National Union Fire Insurance Co.			
Aggregate/Each Occurrence	1,000,000/1,000,000		2,500
Educator's Legal Liability- XL Catlin	1,000,000		
Educators Legal			20,000
Employment Practices			25,000
Commercial Automobile Liability - National Union			
Combined Single Limit	1,000,000		2,500
Comprehensive			1,000
Collision			1,000
Commercial Umbrella - National Union Fire Insurance Co.	9,000,000		10,000
Excess Liability - Hudson/Allied/Great American	40,000,000		
Excess Liability - Upland/Evanston	15,000,000		
Public Employees' Blanket Bond (Crime) - Selective Way Ins. Co.			
Primary (Per Employee)	500,000		5,000
Forgery and Alterations	250,000		1,000
Cyber Liability - Cowbell	1,000,000/5,000,000		25,000
Excess Cyber - Great American	5,000,000		
Environmental - Evanston	2,000,000/4,000,000		25,000
Group Aggregate	20,000,000		
Public Official Bond-Treasurer - Selective Insurance Company	275,000		
Public Official Bond-Business Administrator - Selective Insurance Co.	275,000		
Workmen's Compensation - Reinsurance - Safety National Ins. Co.	1,000,000		
Boiler & Machinery - National Union Fire Insurance Co.	150,000,000		5,000
Athletic Accident - Zurich Insurance Co. (80% Co-insurance)	5,000,000		250
Accident Policy for Volunteers (Chubb)	250,000		
Flood- Selective Insurance Company			
High School/Administration- Building	500,000		5,000
High School/Administration- Contents	500,000		5,000

Source: School District's records

(1) Pool limit

SINGLE AUDIT SECTION

LERCH, VINCI & BLISS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Saddle Brook Board of Education
Saddle Brook, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Saddle Brook Board of Education as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Saddle Brook Board of Education's basic financial statements and have issued our report thereon dated January 22, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Saddle Brook Board of Education's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Saddle Brook Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Saddle Brook Board of Education's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Saddle Brook Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Saddle Brook Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Saddle Brook Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants

Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
January 22, 2026

LERCH, VINCI & BLISS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08

(INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Saddle Brook Board of Education
Saddle Brook, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Saddle Brook Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Saddle Brook Board of Education's major federal and state programs for the fiscal year ended June 30, 2025. The Saddle Brook Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Saddle Brook Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Saddle Brook Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Saddle Brook Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Saddle Brook Board of Education's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Saddle Brook Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Saddle Brook Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Saddle Brook Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Saddle Brook Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Saddle Brook Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Saddle Brook Board of Education, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 22, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants

Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
January 22, 2026

SADDLE BROOK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, June 30, 2024 (Account Receivable)	Balance, June 30, 2024 Unearned Revenue	Balance, June 30, 2024 Due to Grantor	Deferred Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments (Account Receivable)	Adjustments Unearned Revenue	Balance, June 30, 2025 (Account Receivable)	Balance, June 30, 2025 Unearned Revenue	Balance, June 30, 2025 Due to Grantor	GAAP Receivable
U.S. Department of Education																	
General Fund																	
Medicaid Assistance Program (SEMI)	93.778	2405NJ5MAP	7/1/24-6/30/25	$ 16,907	-	-	-	-	-	$ 16,907	$ 16,907	-	-	-	-	-	-
Total U.S. Department of Education/General Fund					-	-	-	-	-	16,907	16,907	-	-	-	-	-	-
U.S. Department of Agriculture																	
Passed-through State Department of Education																	
National School Lunch Program																	
Non-Cash Assistance	10.555	251NJ304N1099	9/1/24-6/30/25	52,857						52,857	51,972				$ 885		
Non-Cash Assistance	10.555	241NJ304N1099	9/1/23-6/30/24	57,691		$ 836					836						
Cash Assistance	10.555	251NJ304N1099	9/1/24-6/30/25	250,137						234,300	250,137			$ (15,837)			$ (15,837)
Cash Assistance	10.555	241NJ304N1099	9/1/23-6/30/24	224,287	$ (38,472)					38,472							
HHFKA Assistance	10.555	251NJ304N1099	9/1/24-6/30/25	9,866						9,233	9,866			(633)			(633)
HHFKA Assistance	10.555	241NJ304N1099	9/1/23-6/30/24	9,222	(1,568)					1,568							
School Breakfast Program	10.553	251NJ304N1099	9/1/24-6/30/25	16,392						14,995	16,392			(1,397)			(1,397)
School Breakfast Program	10.553	241NJ304N1099	9/1/23-6/30/24	12,235	(2,365)					2,365							
Summer Electronic Benefit - Federal	10.646		9/1/24-6/30/25	322						322	322						
Local Food for Schools	10.553	251NJ304N1099	9/1/24-6/30/25	3,508	-	-	-	-	-	3,508	3,508	-	-	-	-	-	-
Total U.S. Department of Agriculture- Cluster/Food Service Fund					(42,405)	836	-	-	-	357,620	333,033	-	-	(17,867)	885	-	(17,867)
U.S. Department of Education																	
Passed-through State Department of Education																	
ESEA Title I	84.010	S010A240030	7/1/24-6/30/25	219,285				$ 18,551	$ (18,551)	151,666	221,577			(86,170)	16,259		(69,911)
ESEA Title I	84.010	S010A230030	7/1/23-9/30/24	232,364	(248,274)	18,551	-	(18,551)	18,551	229,723	-	-	-	-	-	-	-
ESEA Title I Cluster Program					(248,274)	18,551	-	-	-	381,389	221,577	-	-	(86,170)	16,259	-	(69,911)
ESEA Title IIA	84.367A	S367A240029	7/1/24-9/30/25	37,192						10,360	32,440			(26,832)	4,752		(22,080)
ESEA Title IIA	84.367A	S367A230029	7/1/23-9/30/24	40,678	(5,067)					5,067							-
ESEA Title III, Immigrant	84.365A	S365A240030	7/1/24-9/30/25	4,291				3,189	(3,189)	726	726			(6,754)	6,754		-
ESEA Title III, Immigrant	84.365A	S365A230030	7/1/23-9/30/24	5,746	(6,198)	3,189		(3,189)	3,189	3,009							-
ESEA Title III	84.365A	S365A240030	7/1/24-9/30/25	12,502				664	(664)	10,818	11,051			(2,348)	2,115		- (233)
ESEA Title III	84.365A	S365A230030	7/1/23-9/30/24	13,602	(1,981)	664	$ 418	(664)	664	1,317						$ 418	- -
ESEA Title IV	84.424A	S424A240031	7/1/24-9/30/25	15,933				2,328	(2,328)	7,630	11,330			(10,631)	6,931		(3,700)
ESEA Title IV	84.424A	S424A230031	7/1/23-9/30/24	14,887	(8,787)	2,328		(2,328)	2,328	6,459							- -
I.D.E.A. Part B, Basic Regular	84.027A	H027A240100	7/1/24-9/30/25	453,005						398,719	453,005			(54,286)	-		(54,286)
I.D.E.A. Part B, Basic Regular	84.027A	H027A230100	7/1/23-9/30/24	445,771	(150,746)					150,746							-
I.D.E.A. Part B, Preschool	84.173A	H173A230114	7/1/24-9/30/25	17,630	-	-	-	-	-	17,630	17,630	-	-	-	-	-	-
IDEA Cluster Program					(150,746)	-	-	-	-	567,095	470,635	-	-	(54,286)	20,552	-	(54,286)
Elementary and Secondary School Emergency Relief (ESSER III)																	
American Rescue Plan (ARP) Elementary and Secondary Schools																	
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,724,815	(585,687)					585,687				-	-		-
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	145,142	(94,342)					94,342				-	-		-
Evidence Based Comprehensive Beyond the School	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	-	-	-	-	40,000	-	-	-	-	-	-	-
ESF Cluster Program/Special Revenue Fund					(720,029)	-	-	-	-	720,029	-	-	-	-	-	-	-
Teachers Climate and Culture Innovation Camp Grant	76.708	24E00776	5/1/24-2/28/2025	124,924	(124,924)	124,924				124,924	124,924			-	-		-
COPS Grant			7/1/24-9/30/2025	668,230							217,255			(668,230)	450,975		(217,255)
School Security Grant	76.708	24E00839	12/1/23-12/31/2024	97,109	(97,109)	97,109	-	-	-	-	-	$ 97,109	$ (97,109)	-	-	-	-
Total U.S. Department of Education / Special Revenue Fund					(1,363,115)	246,765	418	-	-	1,838,823	1,089,938	97,109	(97,109)	(855,251)	487,786	418	(367,465)
Total Federal Awards Subject to a Single Audit					$ (1,405,520)	$ 247,601	$ 418	$ -	$ -	$ 2,213,350	$ 1,439,878	$ 97,109	$ (97,109)	$ (873,118)	$ 488,671	$ 418	$ (385,332)

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

SADDLE BROOK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2024 (Accounts Receivable)	Balance at July 1, 2024 Unearned Revenue	Balance at July 1, 2024 Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2025 (Accounts Receivable)	Balance, June 30, 2025 Unearned Revenue	Balance, June 30, 2025 Due to Grantor	MEMO GAAP Receivable	MEMO Cumulative Total Expenditures
State Department of Education														
General Fund														
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	$ 2,153,994				$ 1,995,411	$ 2,153,994		$ (158,583)				$ 2,153,994
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	1,980,398	$ (148,615)			148,615							
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	184,636				171,043	184,636		(13,593)				184,636
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	17,740	(1,331)			1,331							
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	360,485	-			333,945	360,485	-	(26,540)				360,485
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	148,825	(11,168)	-	-	11,168	-	-	-	-	-	-	-
State Aid Public Cluster				(161,114)	-	-	2,661,513	2,699,115	-	(198,716)	-	-	-	2,699,115
														-
Extraordinary Aid	25-100-034-5120-044	7/1/24-6/30/25	807,313					807,313		(807,313)				807,313
Extraordinary Aid	24-100-034-5120-044	7/1/23-6/30/24	776,357	(776,357)			776,357							-
Nonpublic Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	54,172					54,172		(54,172)			$ (54,172)	54,172
Nonpublic Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	46,865	(46,865)			46,865			-				-
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	271,173	-	-	-	251,208	271,173	-	(19,965)	-	-	-	271,173
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	234,147	(17,571)	-	-	17,571	-	-	-	-	-	-	-
Transportation Aid Cluster				(64,436)	-	-	315,644	325,345	-	(74,137)	-	-	(54,172)	325,345
On-Behalf Payments														
TPAF Pension and Annuity Aid														
Normal	25-495-034-5094-002	7/1/24-6/30/25	5,585,271				5,585,271	5,585,271						5,585,271
NCGI Premium	25-495-034-5094-004	7/1/24-6/30/25	69,187				69,187	69,187						69,187
Post Retirement Medical Contribution	25-495-034-5094-001	7/1/24-6/30/25	1,652,237				1,652,237	1,652,237						1,652,237
Long-Term Disability	25-495-034-5094-004	7/1/24-6/30/25	2,476				2,476	2,476						2,476
TPAF Social Security	25-495-034-5094-003	7/1/24-6/30/25	1,237,840				1,177,930	1,237,841		(59,911)			(59,911)	1,237,841
TPAF Social Security	24-495-034-5094-003	7/1/23-6/30/24	1,211,834	(60,205)	-	-	60,205	-	-	-	-	-	-	-
Total General Fund				(1,062,112)	-	-	12,300,820	12,378,785	-	(1,140,077)	-	-	(114,083)	12,378,785
Special Revenue Fund														
Handicapped Services														-
Supplemental Instruction	25-100-034-5120-066	7/1/24-6/30/25	826				826					$ 826		-
Supplemental Instruction	24-100-034-5120-066	7/1/23-6/30/24	826		$ 826				$ 826					-
Corrective Speech	25-100-034-5120-066	7/1/24-6/30/25	1,860				1,860					1,860	-	-
Corrective Speech	24-100-034-5120-066	7/1/23-6/30/24	1,860	-	-	930	-	-	930	-	-	-	-	-
Total Special Revenue Fund				-	-	1,756	2,686	-	1,756	-	-	2,686	-	-
State Department of Agriculture														
Enterprise Fund														
National School Lunch Program														
State Share	25-100-010-3350-023	7/1/24-6/30/25	9,978				9,338	9,978		(640)			(640)	9,978
State Share	24-100-010-3350-023	7/1/23-6/30/24	11,766	(2,006)			2,006							
NJEIE	25-100-010-3350-023	7/1/24-6/30/25	11,292				10,518	11,292		(774)			(774)	11,292
NJEIE	24-100-010-3350-023	7/1/23-6/30/24	4,408	(855)			855							
Summer Electronic Benefit - State		7/1/24-6/30/25	321				321	321					-	321
National School Breakfast Program														
State Share	25-100-010-3350-023	7/1/24-6/30/25	524				482	524		(42)			(42)	524
State Share	24-100-010-3350-023	7/1/23-6/30/24	210	(47)			47							
NJEIE	25-100-010-3350-023	7/1/24-6/30/25	718				642	718		(76)			(76)	718
NJEIE	24-100-010-3350-023	7/1/23-6/30/24	373	(77)	-	-	77	-	-	-	-	-	-	-
Total Enterprise Fund				(2,985)	-	-	24,286	22,833	-	(1,532)	-	-	(1,532)	22,833

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

SADDLE BROOK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2024 (Accounts Receivable)	Balance at July 1, 2024 Unearned Revenue	Balance at July 1, 2024 Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2025 (Accounts Receivable)	Balance, June 30, 2025 Unearned Revenue	Balance, June 30, 2025 Due to Grantor	MEMO GAAP Receivable	MEMO Cumulative Total Expenditures
State Department of Education														
School Development Authority														
Capital Projects Fund														
SDA - Franklin School Boilers	24-4610-080-23-G5RY	7/1/23-6/30/24	$ 108,000	$ (108,000)	$ 108,000			$ 12,960		$ (108,000)	$ 95,040		$ (12,960)	$ 12,960
SDA - Franklin School HVAC	24-4610-080-23-G5RZ	7/1/23-6/30/24	299,600	(299,600)	299,600			35,952		(299,600)	263,648		(35,952)	35,952
SDA - Long Memorial School Boilers	24-4610-090-23-G5SC	7/1/23-6/30/24	172,800	(172,800)	172,800			20,736		(172,800)	152,064		(20,736)	20,736
SDA - Saddle Brook High School Boilers	24-4610-050-23-G5RX	7/1/23-6/30/24	321,000	(321,000)	321,000			38,520		(321,000)	282,480		(38,520)	38,520
SDA - Helen I. Smith School Boilers	24-4610-085-23-G5SB	7/1/23-6/30/24	108,000	(108,000)	108,000			12,960		(108,000)	95,040		(12,960)	12,960
SDA - Helen I. Smith School HVAC	24-4610-085-23-G5SA	7/1/23-6/30/24	428,000	(428,000)	428,000			51,360		(428,000)	376,640		(51,360)	51,360
SDA - Washington School Boilers	24-4610-100-23-G5SD	7/1/23-6/30/24	216,000	(216,000)	216,000	-	-	25,920	-	(216,000)	190,080	-	(25,920)	25,920
Total Capital Projects Fund				(1,653,400)	1,653,400	-	-	198,408	-	(1,653,400)	1,454,992	-	(198,408)	198,408
Debt Service Fund														
Debt Service Aid	25-495-034-5120-075	7/1/24-6/30/25	631,660	-	-	-	$ 631,660	$ 631,660	-	-	-	-	-	$ 631,660
Total Debt Service Fund				-	-	-	631,660	631,660	-	-	-	-	-	631,660
Total State Financial Assistance- Determination for Single Audit				$ (2,718,497)	$ 1,653,400	$ 1,756	$ 12,959,452	$ 13,231,686	$ 1,756	$ (2,795,009)	$ 1,454,992	$ 2,686	$ (314,023)	$ 13,231,686
Less: On -Behalf TPAF Pension System Contributions														
Normal	25-495-034-5094-002	7/1/24-6/30/25	5,585,271					(5,585,271)						
NCGI Premium	25-495-034-5094-004	7/1/24-6/30/25	69,187					(69,187)						
Post Retirement Medical Contribution	25-495-034-5094-001	7/1/24-6/30/25	1,652,237					(1,652,237)						
Long-Term Disability	25-495-034-5094-004	7/1/24-6/30/25	2,476					(2,476)						
Total State Financial Assistance Subject to Major Program Determination								$ 5,922,515						

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1 REPORTING ENTITY

The Saddle Brook Board of Education (the "Board" or the "District") received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board's Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the "Schedules") present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.*

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board's summary of significant accounting policies are described in Note 1 to the Board's financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of $70,952 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	Federal	State	Total
General Fund	$ 16,907	$ 12,307,833	$ 12,324,740
Special Revenue Fund	1,089,938		1,089,938
Capital Projects Fund		198,408	198,408
Debt Service Fund		631,660	631,660
Food Service Fund	333,033	22,833	355,866
Total Financial Assistance	$ 1,439,878	$ 13,160,734	$ 14,600,612

SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of $1,237,841 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2025. The amount reported as TPAF Pension System Contributions in the amount of $5,654,458, TPAF Post-Retirement Medical Benefits Contributions in the amount of $1,652,237 and TPAF Long-Term Disability Insurance in the amount of $2,476 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2025.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 7 DE MINIMIS INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

SADDLE BROOK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
1) Material weakness(es) identified?	____ yes	X no	
2) Significant deficiency(ies) identified that were not considered to be material weaknesses?	____ yes	X none reported	
Noncompliance material to the basic financial statements noted?	____ yes	X no	

Federal Awards Section

Type of auditor's report on compliance for major programs:	Unmodified		
Internal Control over compliance:			
1) Material weakness(es) identified?	____ yes	X no	
2) Significant deficiency(ies) identified that were not considered to be material weaknesses?	____ yes	X none reported	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) Of U.S. Uniform Guidance	____ yes	X none reported	
Dollar threshold used to distinguish between Type A and Type B Programs	$ 750,000		
Auditee qualified as low-risk auditee?	X yes	____ no	

Identification of major programs:

AL Number(s)	FAIN Numbers	Name of Federal Program or Cluster
84.027A	H027A240100	I.D.E.A. Part B, Basic Regular

SADDLE BROOK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Part I – Summary of Auditor's Results

State Awards Section

Type of auditor's report on compliance for major programs:	Unmodified
Internal Control over compliance:	
1) Material weakness(es) identified?	____ yes __X__ no
2) Significant deficiency(ies) identified that were not considered to be material weaknesses?	____ yes __X__ none reported
Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08, as amended?	____ yes __X__ none reported
Dollar threshold used to distinguish between Type A and Type B Programs	$ 750,000
Auditee qualified as low-risk auditee?	__X__ yes ____ no

Identification of major programs:

State Grant/Project Number (s)	Name of State Program
25-100-034-5120-044	Extraordinary Aid
25-495-034-5094-003	TPAF Social Security

EXHIBIT K-6

SADDLE BROOK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

SADDLE BROOK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by to be reported by CFR 200 and section 516 of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and New Jersey OMB's Circular Letter 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.